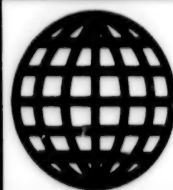


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27 October 1993



**FOREIGN
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JPRS Report

Near East & South Asia

PAKISTAN

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JPRS-NEA-93-107

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International Affairs

Malott Visit Seen Important, Called 'Watershed'

93AS0934A Lahore THE NATION in English
24 May 93 p 7

[Article by Inayatullah: "John Malott Mission and After"]

[Text] The recent week-long visit of John Malott, interim Director of the Bureau of South Asian Affairs of the State Department to India and Pakistan could prove a watershed in US- India-Pakistan relations.

As a top State Department official, Mr Malott was following up his written statement submitted to the US House Foreign Affairs Sub- Committee on Asia and the Pacific at the April 28 hearings. His discussions with Indian and Pakistani officials and utterances at press conferences and also his speech at the India International House in Delhi on May 19, taken together, constitute the Clinton Administration's studied thinking about US policies towards South Asia and in particular India and Pakistan. Before analyzing some of the significant aspects of the new approach which indeed is somewhat different from that of the Bush government, it may be in order to state what Malott told the House subcommittee prior to his visit to the sub-continent. Some of his important observations were:

I. We have the following fundamental objectives in South Asia:

first and foremost, to prevent war and the spread of weapons of mass destruction and their means of delivery;

to support economic reform and development, and obtain greater access for US trade and investment and improved intellectual property rights protection;

to support strengthened democratic practices and institutions and greater respect for human rights;

to enhance military-to-military contacts and preserve unhampered maritime and naval transit rights;

to end terrorism;

to work with host governments to control the production, trafficking, and shipment of narcotics;;

to help promote population planning, control the spread of AIDS, protect the environment, and support disaster relief efforts; and

to support international efforts to ensure the care, maintenance, and repatriation of the region's three million refugees.

II. Our goals of reducing tension, increasing regional stability, and promoting non-proliferation are closely

intertwined. Our primary objective, preventing war, necessarily requires a strong focus on India and Pakistan.

III. Our ability to achieve our goals with India and Pakistan requires that we pursue an *even-handed* approach.

IV. India and Pakistan have advanced programs to acquire weapons of mass destruction and ballistic missile delivery systems. Continuing regional tensions between India and Pakistan, combined with these on-going programs, mean that the outbreak of armed conflict has the potential to escalate to a nuclear exchange, with devastating consequences for the region and global non-proliferation efforts.

V. We continue to advocate Indian and Pakistani adherence to the Non-Proliferation Treaty, but our efforts also focus on trying to achieve more immediate goals.

VI. (a) We recognize that the Kashmir dispute is a major source of Indo-Pakistani tensions. Although the 1972 Simla Agreement provided for India and Pakistan to solve the dispute bilaterally, little has happened. The two countries must deal seriously with this issue, and we are prepared to be helpful if our involvement is acceptable to both sides.

(b) A military stand-off continues along the Line of Control in Kashmir. Indian and Pakistani forces have fought two wars here, and cross-border firings still take place. We believe the GOI and GOP should work to achieve near-term steps such as demilitarization of the Siachen Glacier, support the efforts of UNMOGIP [United Nations Military Observer Group India Pakistan] to monitor the Line of Control, adopt confidence-building measures such as ending all firing across the Line of Control and notifying each other of troop movements, and work for a pull-back and reduction of forces over the longer term.

(c) In Jammu and Kashmir, militants have launched an insurgency and are resorting to terrorist attacks. Indian security forces commit human rights abuses, and the political dialogue between Kashmiris and the GOI remains stalled. We believe that outside support for the militants and the cycle of violence between the militants and government security forces must end. In addition, India should safeguard human rights fully, grant genuine access to Kashmir for international human rights groups, and pursue a meaningful political dialogue with the Kashmiris.

VII. The subcontinent as a whole is a major potential market for US firms seeking trade and investment opportunities abroad. India alone has 200 million middle class consumers. India's market in particular could expand rapidly in the 1990's if its economic reforms are implemented successfully.

South Asia represents a major challenge for US foreign economic policy in the post-Cold War era as we attempt to promote, as well as take advantage of, the region's shift to market principles.

VIII. The conflict in Jammu and Kashmir, along with those in other areas, has fueled terrorist activity in South Asia. We have been particularly concerned about continuing reports of official Pakistani support for militants who commit acts of terrorism in India.

The above extracts along with Malott's other recent statements make for 3 distinct departures from the earlier US policy towards the issues bedeviling relations between the two South Asian countries. These are:

(a) USA has to some extent revised its earlier India-tilted approach to the nuclear and Kashmir issues and with some reservations it henceforth wishes to be seen as "even-handed" in its treatment of the two countries.

(b) It has specifically recognized Kashmir as a disputed territory and the Kashmir dispute as "a major source of Indo-Pak tensions."

(c) It is keen to help resolve the Kashmir and other issues by "prodding, pushing and cajoling" the two countries (using its considerable influence) to begin talking to each other and to take steps as a part of the "preventive diplomacy" including demilitarization of the Siachen Glacier supporting UNDGP to monitor the Line of Control and adopt such other CBMs as a pull-back and reduction of forces.

Malott has also admitted the need for putting greater pressure on India to desist from the human rights abuses in Kashmir and permit human rights agencies to visit the Valley although he has somewhat disappointingly projected the Indian line in condemning the Kashmiri freedom-fighters as "terrorists".

Another noteworthy element of Malott's statements in Pakistan was that he deliberately omitted to make any pointed reference to Pakistan being declared as a state sponsoring terrorism. He was not certain that Pakistan had even formally been placed on a "watch list". This may not mean a clean bill for this country but it does appear that despite reports of Pakistan's assistance to the "militants" there is a growing understanding of the complex nature of the Kashmir-Pakistan relationship, that it is not simply an open-and-shut case and that Indian repression has to be stopped if a workable solution is to be found.

The Clinton Administration has come out openly for new initiatives to bring India and Pakistan to the negotiating table. It already has had two rounds of bilateral discussions on regional security and non-proliferation with India in 1992 and would, as a follow-up of the high level consultations with senior Pakistani officials, be holding "more formal discussions" with them.

Pakistan has welcomed the new American "even-handed" approach and "its professedly regional

approach" towards nuclear non-proliferation and regional security. Our Foreign Office would be well advised to immediately and vigorously take to the homework involved in comprehensively preparing itself for the formidable task of making the best of "the structured talks" scheduled later this year.

The shift in the American stance can partly be attributed to the cumulative efforts made by Pakistan during the last year or so to convince the US Administration that the security issues in the subcontinent are essentially of a regional character and must be addressed as such. There should be no let up in such efforts and in fact we must step up our campaign to persuade the Americans to see and appreciate our point of view.

Hopefully soon enough our internal confusion would be cleared by the Supreme Court judgment. Considering the enormous external challenges faced by Pakistan, we can ill-afford any more political instability.

Commentary Urges OIC To Arm Bosnians

93AS0934C Lahore *THE NATION* in English
30 May 93 p 5

[Article by Ghani Eirabie: "OIC Must Arm Bosnia-Defying the West"]

[Text] Fifty years hence, archaeologists looking for the burial-place of "Western Civilization" are likely to find it somewhere in Kashmir or Bosnia under an epitaph inscribed: "It died of chronic duplicity." Just as likely, they will find British Prime Minister John Major buried, at his own request, in the same grave as King Richard, "the Lion Hearted," whose role-model he sought to follow by re-enacting exactly eight centuries later, the medieval Crusades in the Balkans. And they would run into evidence of Russian President Yeltsin wanting to be remembered as an ex-Communist atheist who embraced the Russian Orthodox Church to win Serbian support for the revival of the old Czarist Empire. History will pass over President Clinton as a weakling who lacked the courage of his convictions, noble in themselves. Its verdict on the Muslim Ummah would probably be just as harsh.

Any objective analysis of contemporary history must give Western Europe, led by Britain, the credit for achieving the end in view of its set goal by manipulating events, deploying smart diplomacy, staging protracted negotiations, barring effective action, and gaining time for the Serbs to complete their ethnic cleansing of Bosnian Muslims and their occupation of 70 percent of Muslim territory against 30 percent of their population. The UN Secretary General (a Cropt Christian with a Jewish wife) joined hands with the UK's front-man Lord Owen, France's Mitterrand and Russia's Foreign Minister Kozyrev, in deploying one tactic after another to block President Clinton's publicly committed strategy of arming Bosnian Muslims and using air strikes against Serbian artillery. Belgrade provided arsenals and lethal

supply lines. All those foremost in denouncing the so-called Islamic fundamentalism have exposed themselves to the charge of harboring secret sectarian prejudices and contriving the destruction of the sovereignty and territorial integrity of Bosnia, a UN member—reducing the Muslims to the position of hapless refugees in their own homeland confined to so-called "safe areas" and rewarding Serbs for their aggression and ethnic cleansing by virtually confirming them in their occupation of ill-gotten territories.

The US Secretary Christopher's May 22 sellout to Russia and Western Europe has provoked Democrat Senator Daniel Patrick Moynihan of the US Foreign Relations Committee to exclaim in anguish, the Administration is "legitimizing genocide" and Senate Minority Leader Republican Senator Robert Dole to bemoan the deal amounts to "writing off Bosnia as a state." Moynihan said on NBC: "The moral basis of the international order in the aftermath of Bosnia is weakened as it has not been weakened since the 1930s '...the era of the Nazi Holocaust'". Dole said, he was "deeply disappointed" by Clinton's response to a strategy devised by Russia and key European allies.

A more outspoken comment in the LOS ANGELES TIMES by Carol Williams says: "While the establishment of such refugees (safe areas) might spare the lives of those inside them, deployment of the UN Peace-keepers would have the effect of freezing the territorial *status quo*, allowing the Serbian gunmen to keep the land they have seized—also creating safe havens may have the unintended side-effect of doing the Serbs' dirty work for them. To make each area truly safe, the UN troops would have to disarm those under their protection, while the rebels surrounding the protected areas would retain their tanks and guns." Pointing out that the plan will not ensure stable peace, the *Times* analysis says: "Bosnia's Slavic Muslims who were the largest of the republic's three ethnic groups, account for the vast majority of 150,000 dead or missing and two million displaced by the reviled practice of 'ethnic cleansing.' They are increasingly bitter over the refusal of the world's leading democracies to help them and are unlikely to peacefully submit to confinement on squalid and destitute reservations. All but one of the cities under consideration for safe haven status have been pounded into rubble."

On the May 22 proposal to monitor Belgrade's assistance to Bosnian Serbs, which under Clinton's threat of use of force, both sides seemed willing to accept, the Yugoslav President is now quoted as saying that the presence of foreign troops would "put in jeopardy our sovereignty and our national dignity." Says Carol Williams: "Serbs can be expected to be even more defiant in the face of any attempts by the international community to station troops in its province of Kosovo"—with the object of shielding it against possible Serbian genocide of the ethnic-Albanian majority of Kosovo. The LOS ANGELES TIMES analysis seems to scorn the purpose of policing the no-fly zone which it says has now ceased to be used by the Serbs.

After a four-hour discussion, the meeting rejected outright what it called apparent "acceptance of the *status quo* imposed by the use of force and ethnic cleansing" and it denounced those who have prevented the launching of any effective enforcement action in Bosnia-Herzegovina and deplored surrender to Bosnian blackmail. It demanded the lifting of the arms embargo and reiterated the offer of Muslim countries to provide troops for the UN Peace-keeping Force, but said, no troops be deployed there without the express consent of the legitimate government of that country. This apparently was a move to block the induction of Russian troops in Bosnia-Herzegovina to buttress those of Britain, France and Spain. The use of Russian troops was opposed by Bosnia's Permanent Delegate Muhammad Sacirbay who argued: "From our perspective, Russia clearly has strong religious ties to Serbia—and the Russian government has been speaking on behalf of the Serbs."

Russia's strong pro-Serbian bias has been more than obvious for a long time; it has revealed itself in Moscow's resistance to the use of force against Serbian marauders; through Moscow's blatant threat to use the veto to stop any UN Security Council action against the Serbs and in the clandestine induction of more than 5,000 Russian servicemen into Bosnia to fight against the Muslims. The latest is Russian Foreign Minister Andrei Kozyrev's warning to Bosnian Muslims that the Muslim leadership's rejection of the Russo-Western initiative is "unacceptable." "We won't take a 'no' from the Bosnian Serbs and neither will we agree to a 'no' from the Bosnian Muslims to this new concept." He threatened that posture of even-handedness is highly hypocritical in that the so-called 'new concept' concedes the Bosnian Serbs all that they want and they have already greeted the 'new concept'.

What motivates the Russian hostility makes an interesting study. All Yugoslavs, whether Croatian, Serbian or Bosnian, are Slav by race and European by culture; and the only difference is that Croats are Catholic Christian; Serbs belong to the Russian Orthodox Church; and Bosnians predominantly are Muslim. But this seemingly small difference seems to make all the difference to fellow-Christians in Hungary, Romania and Bulgaria who have defied the UN blockade to help the Croats; and to the Russians who have connived at the Serbs genocide of equally Slavic and equally European Muslims. This exposes the hollowness of Russo-Western pretence to freedom from religious bias.

The joint Russo-Western betrayal, particularly the last-minute letdown by the USA, has driven Muslim Bosnia to desperation. Bitterly rejecting the May 22 sellout, Bosnian President Alija Izetbegovic has called upon his people to renew their armed struggle. He voiced his conviction that people fighting for their survival and freedom cannot lose. "Without the return of our suffering people to their homes, there cannot be any real peace," he declared.

But the worst part of the calculated treachery is that neither has the West-dominated the UN Security Council invoked action under Chapter VII of the UN Charter to roll back Serbian aggression against Bosnia as it did in the case of Kuwait, nor has it respected Bosnia-Herzegovina's right to single and collective self-defense under Article 51. It has blocked Bosnia's access to weapons, forcing the Muslims, to face Serbs' heavy artillery, tanks and aircraft with small arms and insufficient supplies of ammunition.

The OIC [Organization of Islamic Conference] has reiterated its demand more firmly at its May 24 meeting in New York. With the Bosnian Muslims facing annihilation and the sole superpower going back on its commitment, time has come for the Muslim Ummah to back its words with action. The 51 OIC nations, forming nearly one-third of the entire UN membership, must mobilize all their politico-economic clout to force favorable action in the Security Council and failing that convene a special session of the UN General Assembly to override any Security Council veto—backing it with the threat that they will walk out of the world-body if it persists in its refusal to protect the sovereignty and territorial integrity of the smaller nations. And in the meantime, they should singly and collectively honor Bosnia-Herzegovina's right under Article 51 to defend itself against aggression by supplying it all the weapons it needs to defend itself. No Security Council resolution that violates any provisions of the UN Charter to accommodate the Big Powers' preference for selective morality, can be taken as morally binding.

U.S. Said 'Interfering' on Military Appointments

93AS0934D Lahore *THE NATION* in English
31 May 93 p 6

[Article by A.R. Siddiqi: "Pak Army and U.S.: Interest or Interference"]

[Text] American interest in the Pak Army is only natural and historical. The US has been Pakistan's principal armorer between 1954 and 1964 and again a major source of military assistance between 1982 and 1989. Pakistan, for its part, has been America's "most allied ally", a treaty partner in SEATO [Southeast Asia Treaty Organization] and CENTO [Central Treaty Organization] and, short of being a camp follower, an ever so obliging supporter of its global strategies in the cold war era.

The Afghan war against the Soviet invader saw the peak of the Pak-US collaboration. The end of the hot war in Afghanistan marked the beginning of a sort of a cold war or a war of nerves between the two erstwhile and tested allies—Pakistan and America. Issues like Pakistan's nuclear program, drug-trafficking, relations with India in the context of the Kashmir dispute and the Sikh militancy in Punjab (and so on), allowed to lie dormant through ten years of the Afghan war, were reopened with a vengeance to put Pakistan in the dock without allowing

much benefit of the doubt. To these dormant volcanoes suddenly coming alive was added yet another, even more devastating, the terrorism issue. America threatened to bracket Pakistan with Iran, Libya, Syria, DPRK—etc., as a supporter of international terrorism.

Pakistan's name was linked with the blasts in New York's International Trade Center and those in Bombay's Stock Exchange building. The Afghan resistance fighters and, their comrades-in-arms, once called Mujahideen, armed and financed by the US, were dubbed as terrorists and Pakistan denounced their supporter.

Pakistan thus became the sole inheritor of the wreckage of the Afghan war while the US got away with a clean slate and an invaluable strategic spinoff, the military humiliation and subsequent disintegration of the Soviet Union. The Arab and other foreign stragglers, still hanging around in Pakistan reportedly in Peshawar on the highway to Afghanistan, are even linked, and openly blamed for the resurgence of Islamic fundamentalism in Egypt. Certain messages faxed to Cairo were traced back to Peshawar as the place of origin. These messages warned foreigners, western tourists in particular, against visiting Egypt except at the peril of their life.

America's knowledge or belief about Pakistan's active involvement in international terrorism has acquired an all-pervading, all-penetrating active interest in Pakistan's internal affairs contrary to the accepted concept of non-interference and non-intervention by one country in the internal affairs of the other.

The way the news of the retirement of two senior Lieutenants General, Javed Nasir and Asad Durrani, was loudly welcomed by the visiting US acting Deputy Assistant Secretary of State for South Asian Affairs, Mr John Mallot had been more vociferous than normal diplomacy should warrant. He commended the "some steps" taken by Islamabad, like removing the ISI [Inter Services Intelligence] Chief (Javed Nasir) and Asad Durrani, Commandant of the National Defense College.

While Javed Nasir's name was openly linked with supporting terrorism in Kashmir and Indian Punjab by the American diplomats, Durrani's was traced back to political 'hobnobbing' at the national level. Close upon Mr Mallot's public commendation of the government's action in compulsorily retiring the two general officers came yet another American observation more curious and intriguing than the last. The subsequent American reaction, as reported in a section of the national Press, was sparked off by a news photograph of the retired 'fundamentalist' Gen Javed Nasir in warm proximity with the dismissed Prime Minister Nawaz Sharif, noted for un-American activities.

United States diplomats, in the language of one news story, were understood to have 'quietly conveyed' to the 'relevant' Pakistani authorities their disapproval to see the 'sacked leadership' of the 'famous' ISI 'stage a comeback'.

They got 'alarmed' over the meeting of the sacked Prime Minister with the sacked chief of the ISI. According to the statement attributed to an unidentified, US diplomat the old (ISI) stewardship was reinstated, "the chances of Pakistan being declared a terrorist state would increase decisively." And so on.

It is a fact that after the appointment (or retirement) of a service chief, especially Chief of the Army Staff, no other military appointment (or retirement) attracts such close attention as that of the DG, ISI.

Before Javed Nasir's the appointments and retirements of DGs ISI also came in for a good deal of public comment. But not so much at the diplomatic level.

In 1965 through the Kutch encounter and subsequently the first India-Pakistan war, Brig (later Lieut-Gen) Riaz Hussain, had his share of spotlight in the foreign and domestic media. General Mohammad Akbar Khan, much to his own discomfiture as a publicity-shy individual, was pitchforked into the limelight through the East Pakistan crisis in 1971.

His successor, Gen. Ghulam Jilani, an appointee of Z.A. Bhutto, managed to keep a low profile and ended up as the Governor of Punjab. Gen. Akhtar Abdul Rahman who took over from Jilani was recognized far and wide, as Gen. Zia's master planner, and principal trouble shooter through the Afghanistan resistance. He organized the Afghan cell responsible, among others, for the rapid transit of US arms and funds to the various Mujahideen groups.

On his elevation to the four-star slot and, appointment as Chairman Joint Chiefs of Staff Committee, Lt-Gen. Hamid Gul, by far the best-known and controversial DG ISI, took over to make his directorate-general rub shoulders with CIA, Mossad and RAW [Research and Analysis Wing (Intelligence Agency)] , as one of the world's premier intelligence agencies.

Hamid Gul handed over to retired officer, Lt-Gen. Shamsur Rahman Kullue to stir much controversy within the services and the public. The appointment of a retired General, regardless of his impeccable credentials as a career officer, in practical terms, amounted to civilianizing the ISI at the top. Although an interservices body, technically under civilian control, GHQ exercises considerable hold over the ISI, headed, traditionally and without a break, by any army general.

The appointment of retired general Kullue followed the recommendations of a committee set up by Ms Benazir Bhutto, then Prime Minister, under the chairmanship of retired Air Chief Marshal Zulfikar Ali Khan. That was Benazir's first major blunder in her dealings with the armed forces. The induction of a retired general into the citadel of ISI not only ended GHQ's hold over it but also meant the loss of one of the most prized appointments, tenable by a Lt-Gen of the army.

Kullue's removal from the job came soon after the dismissal of Benazir's government early in August 1990 by the President. A serving officer Maj-Gen Durrani succeeded him to stay, unlike his predecessors, largely as a shadow figure. He was by far the least talked about head of the ISI.

Within a couple of months of his appointment as Chairman, Pakistan Ordnance Factories, Lt-Gen Javed Nasir, was transferred to head the ISI in a dramatic move by Prime Minister Nawaz Sharif. The appointment of the bearded General, known for his strong religious (fundamentalist?) beliefs, raised many an eyebrow especially in the diplomatic circles. It was also projected as a matter of some disagreement between the Prime Minister and the Army Chief General Asif Nawaz, believed to be contrary to the wishes of the latter.

Javed Nasir found himself caught in the middle of the Afghanistan crisis almost immediately after taking over the ISI. Afghan President Najibullah resigned in the middle of April, 1992 to create a power vacuum that no single Mujahideen group or coalition could fill. Javed Nasir assisted Prime Minister Nawaz Sharif in brokering the Peshawar Accord of April 24. The accord succeeded in installing a Mujahideen government in Kabul under Prof. Sibghatullah Mujeddedi without closing the ranks of rival and mutual warring Mujahideen groups. It failed to bring peace to Afghanistan.

Javed Nasir's last *tour d'force* was the Islamabad Accord of March 7 last, which he brokered, once again, together with Prime Minister Nawaz Sharif, in the final bid to resolve the Afghanistan imbroglio.

Night of April 18/19, the President dismissed Nawaz Sharif's government and dissolved the National Assembly. Along with most of Nawaz Sharif's ministers principal advisors and others, too closely identified with the formulation of his policies, Javed Nasir, also came into the eye of the storm.

He was retired on May 2, some six months prematurely. It is all in the game and need not be made much of. Just the same the circumstance of his retirement and the ensuing diplomatic reaction would hardly seem to augur well for the autonomy of the Army high command. If foreign influence and pressure could go as far as it apparently did in the case of Gen. Javed Nasir's and Durrani's retirement, God help us all!

Foreign interest in the armed forces is one thing, but foreign interference is quite another.

Editorial Urges Sending Heavy Weaponry to Forces in Somalia

93AS0934H Lahore THE NATION in English 8 Jun 93
p 4

[Editorial: "Massacre in Somalia"]

[Text] Our sense of outrage and sorrow at the loss of Pakistani soldiers' lives in Mogadishu should not provoke us to rush to give calls for withdrawing our contingent from the UN peacekeeping forces. In a troubled world, the UN has often proved to be the only recourse for intractable political problems, especially in situations where these have descended into civil war. Pakistan, increasingly winning recognition as a responsible member of the international community, has contributed its bit within its limited resources to such efforts in the past. Even today its forces are part of UN peacekeeping forces in Cambodia and it has offered troops for the UN presence in the killing fields of Bosnia, in line with its stated commitment to the principle of maintaining international peace. But having said that, we should no longer suffer from a blinkered vision concerning the continuing dangers our troops face in Somalia. The unprovoked attack by warlord Aideed's forces should not be allowed to pass unpunished, as even the UN Security Council has now resolved. However, this may be easier said than done.

In the aftermath of the killings, the capital Mogadishu is racked by gunfire and clashes, reminiscent of the state of anarchy that prevailed throughout the country before the UN forces arrived, initially to protect aid distribution from foraging warlords. This deployment led inevitably but in an unforeseen manner to seeking to mop up the considerable supply of arms in the hands of the warlords. General Aideed, as one of the principal warlords vying for exclusive control ever since rebels overthrew Siad Barre in January 1991, is also one of the main beneficiaries of the sea of arms, both Soviet and Western, with which the country is awash.

That fact alone serves to highlight some of the contradictions and weaknesses from which this and similar UN peacekeeping efforts have tended to suffer. There is obviously a great gap between the task (explicit or implied) allotted to the peacekeeping troops and their capability in terms of numbers and arms. The contingent of 4,750 Pakistani troops is the largest in the UN ranks. It now transpires that the Pakistan contingent has been requesting armored personnel carriers and attack helicopters in order to adequately defend itself while carrying out its operations. The UN's dithering on the issue is said to be a consequence of the paucity of competent advice available to the UN's military committee. But surely such competence is far from lacking in Pakistan's GHQ. If the demands for the UN to supply the necessary heavy weaponry to protect the Pakistani and other UN forces is not acted upon by the UN Security Council post-haste, Pakistan should consider sending the required weaponry itself without bothering too much about the fine points of UN agreement. After all if further Pakistani lives are lost, a prospect not without foundation given the battle still raging in Mogadishu, the UN will only wring its hands in regret. It is for us to ensure that our contingent in the unstable Horn of Africa has the means, one way or the other, to defend itself and carry out its mission without unnecessary risk or reducing our troops to little better than cannon fodder.

Peshawar Market Claimed Flooded With U.S. Currency

93AS09551 Islamabad *THE MUSLIM in English*
10 Jun 93 p 4

[Article by Murtaza Malik]

[Text] PESHAWAR, June 9: The money market in Peshawar has suddenly been flooded with the American dollars, coming in bulk from Islamabad through private foreign channels to cause a stir and an abnormal decline in the exchange rate.

Until about three days back, the USD was selling for Rs 29.30 but an abnormal inflow of cash dollars, mostly via Islamabad had brought it down to Rs 28.45. After 1977, it was said to be the first time that the local market was so heavily overflowing with USD. And what really puzzled the money changers were the fresh consignments. Absolutely genuine.

The inquiries from the local market said that the dollars, being brought by unknown foreigners, were being exchanged for local currency. This heavy buying had reportedly reduced the gap between the official and unofficial rate from Rs two to Paisa 85 only.

It was feared that since the dollar was not coming through banking channels, it could only strengthen the parallel economy instead of adding to the country's foreign exchange reserves. The dollars could be purchased in any amount.

Some of the senior bankers attributed this abnormal activity in the market to the fluid political situation in the country. The other experts on fiscal affairs feared that the conversion of USD into Pakistan currency should be a matter of deep concern as the Pak rupee could be used for ulterior motives. The possibility of the money being distributed among certain political elements, they said could not be ruled out.

In this connection they recalled the 1977 events when the then Prime Minister Zulfikar Ali Bhutto had alleged large scale distribution of American dollars to destabilize and dislodge his government. The PNA [Pakistan National Alliance] agitation against him had resulted in his overthrow by General Ziaul Haq and imposition of martial law. The general then went on to rule the country for eleven long years.

Military Intervention Called for in Bosnia

93AS0955C Lahore *THE PAKISTAN TIMES*
in English 13 Jun 93 p 6

[Editorial: "Bosnia: Need for Military Intervention"]

[Text] In yet another attempt to prevent bloodshed in Bosnia-Herzegovina, the 15-nation United Nations Security Council has passed a unanimous resolution asking Secretary-General Boutros Ghali for a report on options for international observers along the Serbian

border to verify that military aid to Bosnian Serbs has been cut off. Pakistan's UN Ambassador Jamshed Marker said his government had some reservations on the text of the resolution but voted for it at the request of Bosnia's Ambassador. He added, "We also have doubts about the efficacy of implementing the resolution." As things stand, the present Security Council resolution can only be considered an empty gesture as President Slobodan Milosevic of Serbia has refused to allow any monitors within his republic.

Pakistan has all along been insisting that the arms embargo against Bosnia-Herzegovina be lifted so that the republic can defend itself. At one time the United States administration was also in favor of lifting the ban but abandoned its position after running into opposition by its British and European allies. Instead, a plan was approved by them under which they agreed to create a tribunal to hear war crime charges, sending more soldiers to protect the six safe havens that the Security Council had designated for Bosnian Muslims, and to deploy monitors on the border between Serbia and Bosnia. Action has already been taken on the first two items of the plan while the third has almost been abandoned because Belgrade, which initially accepted the plan, reversed its decision and rejected it. The Serbian President has asserted that all aid to Bosnian Serbs, except food and medicines, has been cut off but refuses to allow independent checks. Meanwhile, Bosnian Serbs have launched fierce attacks on the Muslim enclave of Gorazde in defiance of the United Nations which declared it a safe area. The worst is that the Croats who were allied with the Muslims during the 14-month civil strife in Bosnia are now fighting against them. They have gone to the extent of attacking a food aid convoy of 503 trucks bound for a Muslim enclave and killed seven Muslim drivers. To discuss the increased inter-communal fighting in Bosnia, international mediators David Owen and Thorwald Stoltenberg have made the Presidents of Serbia, Croatia and Bosnia agree to meet in Geneva. In view of the past experience, this would hardly lead to any solution. The Serbs have already occupied a third of Bosnian territory and are being allowed to consolidate their position due to inaction of the UN Security Council. The "ethnic cleansing" in Bosnia is a brand of Nazism at its worst. Answer to the Serb aggression lies only in a forceful military intervention in Bosnia. There are countries in the world with enough resources and a sense of honor, which could contribute military forces for the purpose. Pakistan has already made an offer. Instead of dilly-dallying and letting Bosnia keep on bleeding, the Security Council has to take a forthright decision in respect of Bosnia without wasting any more time.

U.S. Patience With Regional Tensions Urged

93AS09561 Karachi DAWN in English 13 Jun 93 p 15

[Article by M. B. Naqvi: "U.S. Design for South Asia"]

[Text] Clinton Administration's agenda for Asia requires that South Asia remains orderly and peaceful and that the turmoil among its teeming millions needs to be brought under control. That is good insofar as it goes.

But it is doubtful if American officials have done any hard thinking on the origins, implications and consequences of the profound agitation in minds. They are of the view that should the regional governments cooperate and put their act together, that would serve their purposes. Hence their design to bring them together, Islamabad and New Delhi first.

Indo-Pakistan differences are sharply in American focus. We should thus pay close attention. The US, after all, is the only superpower and, one way or another, neither Islamabad nor New Delhi is in a position to disregard it. It so happens that some the American objectives are right on principle: such as peace and cooperation in South Asia. Anyhow, old suspicions about superpower intentions, so habitual in third world, are out of place today.

Doubtless the old goals remain valid about third world solidarity, south-south cooperation, preserving national independence and, of course, remaining jealously on guard against economic interests of their poverty-stricken people being subordinated to questionable aims. And yet let us beware that an unthinking anti-Americanism is not equated with actual care for one's own people. Americans should certainly be opposed, if necessary, tooth and nail, where it becomes unavoidable. But it is more prudent to search for ways of coordinating, indeed where possible harmonizing, one's enlightened national purposes with what is seen as imperatives of American position.

The Indo-Pakistan situation continues to be characterized by dogs of war straining at the leash. The American assumption about the next Indo-Pakistan war having a nuclear dimension is not wide of the mark. Both countries have more or less admitted that they are nuclear-capable, though they continue fudging the issue.

This war is being avoided from day to day, partly because both countries are in no shape to sustain it. For, both are broke.

Their policies however are pushing them relentlessly into an escalating confrontation that can only result in a bust up. Their dialogue ended a year ago and both appear incapable of resuming it. There is no doubt that a third party is needed to knock their heads together. The Americans are doing just this, though with an exasperated bluntness that seems to jar on the ears in both New Delhi and Islamabad. It is nevertheless understandable why Americans are now resorting to plain, and sometimes tough, talking.

The issues are well-known and have been enumerated time and again: Americans' overriding consideration seems to be the maintenance of peace, followed by preventing further vertical proliferation of nuclear

weapons, calling a five-power conference for devising a non-nuclear regime for South Asia and persuading India and Pakistan to start a dialogue of their own, with Americans acting as catalytic agents.

With Pakistan they would talk a large number of things, beginning with the nuclear matters, the five-power conference, possibilities of an Indo-Pakistan dialogue under American aegis, terrorism, Islamic fundamentalism, drugs and the small change of diplomacy on leftover issues from the days of their military alliance. With India they would talk, apart from economic issues, many matters including Kashmir and human rights violations, leading up to the possibilities of an American-sponsored Indo-Pakistan dialogue, preferably at summit level, and, of course, their voluminous agenda of bilateral matters.

Many in New Delhi sharply reacted to the plain-speaking by John Malott, the American emissary who recently visited the area. They said Malott indulged in arm twisting. Reaction to him in Islamabad was not different. While one is all for classical courtesies in diplomacy, one is not dismayed by calling a spade a spade. Since the two largest governments in South Asia are the most likely to disturb peace and their ability to continue their self-restraint is visibly eroding for extraneous reasons, thinking people have no option but to welcome such good offices as may be available.

And it so happens that only the Americans are the ones who have any motivation and ability to force New Delhi and Islamabad to listen. Since war ought not to be encouraged or allowed to break out and the two countries are unable to meet, talk and ensure that American good offices—whatever they want to call them—should be welcomed. Several other things they are saying are, in substance, unexceptionable. A democratic and non-nuclear South Asia is one of them. We should not jeopardize the unavoidable Indo-Pakistan negotiations simply because they do not like the American style.

A word in parenthesis may be in order. If the Indians and the Pakistanis found the American methods rather rough in forcing Islamabad and New Delhi to talk, why don't they render it irrelevant by starting the dialogue on their own? No outsider had stopped them from talking; it is their own inability to continue talking or to resume the stalled negotiations that forces the concerned foreigners to intervene. Doubtless the intellectual equipment available to New Delhi and Islamabad is sophisticated enough to enable them to get out of tough spots and to resume the necessary jaw-jaw. The difficulty is, however, serious and political.

The Americans are amply aware of the political limitations (in a domestic sense) of both New Delhi and Islamabad. Insofar as Islamabad is concerned, it is obviously paralyzed, politically and diplomatically, because of the intense guerilla warfare between the President and the PM. PM Nawaz Sharif today is in no

shape to take any initiative of any significance. His ability even to respond adequately to other's initiatives can also be doubted.

In New Delhi also, the government is weak, if not in a precarious position. It is certainly under siege from inimical forces that are battering its ramparts. These range from the fascistic Hindu fundamentalism, secessionist regional nationalisms or other particularisms, Mandalization of politics, the Sikh and Kashmiri separatist movements and tribal forces in the north east are some of them. These are hard times for New Delhi's present government.

The Americans, who have the initiative today, have to take note of this inability of both Indian and Pakistani governments to devote adequate attention to larger problems facing them. They say you can take a horse to the water but you cannot make him drink. The Americans have already made this experience. An Indo-Pakistan summit is difficult enough to organize. But even if an Indo-Pakistani Camp David can be arranged, there is no great likelihood of success. As far as one can see, India's political class is intellectually in no shape to rethink its national policies and force New Delhi to make radical changes on major issues. The same goes for Pakistan. What follows from this?

Is one asking the Americans to leave Islamabad and New Delhi alone to wallow in their own troubles and to continue going around in circles. I am doing no such thing. But the good Samaritans that the Americans are should have patience with the governments and should be more active in educating the intelligentsia, particularly its opinion-making sections. Few in India, or even Pakistan, are keenly aware of the need for changing basic policies.

Although Islamabad and New Delhi have no alternative but to engage in a dialogue, it is hard for anyone to expect them to make it fruitful by altering or changing their fundamental policies. Changes in the basic policy orientations are contingent on a lot more education of their opinion makers. This has been a neglected field in which a lot of weeds have grown tall. Witness the strength of Hindu fanaticism and Islamic bigotry in the two countries.

U.S. Opportunity To Halt Nuclear Proliferation Claimed

93AS0955G Lahore *THE NATION in English*
14 Jun 93 p 7

[Article by Ghulam Sarwar: "Pakistan's Nuclear Programme—An Appraisal"]

[Text] Since the mid 1970s, nuclear proliferation both in the global and the regional perspectives has assumed alarming proportions. In hindsight, we can see that during the Cold War era, the United States and the former Soviet Union had reached a tacit understanding

to the effect that the *threshold states and the potential nuclear states would be dissuaded from going nuclear.*

Looking back, we see that the introduction of the Nuclear Non-Proliferation Treaty (NPT) in 1968 was initially marked by cold indifference towards prospective nuclear actors, leaving some loopholes which encouraged countries like India to explode their "peaceful" device, which, surprisingly did not cause much of a stir in the established nuclear states. However, with the approach of the deadline in 1995, the proliferation issue has now attained new dimensions.

Today, the world is beset with grim challenges. American diplomacy especially, is put to a severe test. Its performance is likely to be determined by the way it grapples with vital issues. The nuclear issue in South Asia certainly is already providing a test case for America, though there is a general feeling that a nuclear stalemate in the Subcontinent would subsist for some years. The balance is fixed by India having demonstrated its weapons capability through a nuclear test and by Pakistan for having acquired the requisite nuclear know-how of technology. The international community will do well to strengthen the prevalent nuclear stalemate on the Subcontinent.

India's track record is abysmally poor. One can see that there are obvious inconsistencies and contradictions in its loud rhetoric and actual practice. This dichotomy could be traced back even to the Nehru reign. While preaching the settlements of disputes through negotiations, India failed to enter into any serious negotiations with either China or Pakistan to settle their common disputes. Furthermore, India's verbal homage to the principle of coexistence notwithstanding, its relations with Pakistan have always been confrontational. Hindu leaders have invariably viewed anti-Pakistan animus in foreign policy as essential for India's internal stability.

India's real stance on the nuclear issue surfaced in the mid-1960s when Bhabha and others made multi-pronged efforts to counter the Chinese threat besides making it a matter of prestige for India. In the post-Nehru years, the efforts received fresh impetus and momentous support from the successive regimes. The prestige point was particularly emphasized both for nation-building and military influence purposes. India, despite its signing the Partial Test Ban Treaty (PTBT), was evasive in committing itself to the NPT, as it was well on its way to the nuclear threshold. India's test for its nuclear device in 1974 in the contemporary geopolitical environment was certainly unwarranted. After humbling Pakistan militarily in 1971, there was hardly any security threat as such on the horizon.

Pakistan has expressed in categorical terms its willingness to sign the NPT, provided India also does the same. Pakistan's stance has put India in a state of dilemma.

Pakistan has always advocated a comprehensive approach to arms control, incorporating measures for

arms reduction and suggestions for the peaceful resolution of international disputes and the building up of trust and confidence in the international system. It has been Pakistan's consistent policy to ensure that in addition to global arms control, the powers that be must evolve a mechanism for regulating the arms race at the regional level.

These efforts are designed to promote peace and stability in the international system. This perspective is partly shaped by Pakistan's own security predicament which is regional.

Pakistan is located in the vicinity of a bigger military power, India, which has not reconciled to its existence even after the lapse of nearly five decades. With a number of on-going problems with India, Pakistan feels that a powerful state with regional ambitions can always cause insecurity to the small neighbors, thereby triggering a regional arms race.

It will not be out of place to mention here that a proposal for regional arms control, security and economic cooperation was offered by Pakistan keeping in view the on-going confrontation with India. The proposal envisaged a number of practical steps to build mutual trust and confidence; the resolution of outstanding disputes and the removal of misunderstanding through internationally recognized procedures.

As India expressed its strong doubts about a peaceful nature of Pakistan's nuclear program, and viewed it as a major security hazard, Pakistan offered a five-point proposal to India in the mid-eighties to establish a non-proliferation regime for South Asia. The proposal envisaged to eliminate the threat of a nuclear weapons' race between the two countries.

In these proposals, Pakistan emphasized that the two countries should agree to simultaneous accession to the Non-Proliferation Treaty (NPT); concurrent acceptance of the safeguards prescribed by the International Atomic Energy Agency (IAEA); mutual inspection of each other's nuclear installations; bilateral or regional (South Asia) declaration renouncing the acquisition and manufacture of a Nuclear Weapons Free Zone (NWFZ) in South Asia. In June 1991, Pakistan proposed a five-nation conference of the United States, the Soviet Union, China, India and Pakistan to resolve the problem of nuclear proliferation in South Asia. India's response to these proposals was negative and it refused to accept any restriction on its nuclear program under bilateral or regional arrangements.

As things stand, a non-proliferation policy has minimal, if any, chance of success in South Asia unless it is applied equally to Pakistan and India and it addresses itself to the security predicament of the smaller and militarily weaker of the two states, that is Pakistan.

Looking back, we see that the Indian decision to acquire nuclear capability can be traced back to the 1950s, long before China acquired nuclear weapons or Pakistan

started its nuclear program. To Indian leaders, nuclear weapons had become the symbol of power and status.

By exploding a nuclear device in 1974, India aspired to achieve quick recognition as a nuclear power. It also wanted to assert the point to its rival China that it, too, had nuclear weapons capability. Then, there was the message to other smaller countries in the region to accept India's hegemony and its supremacy as a regional power.

Pakistan has been forced by circumstance to go in for the nuclear option to offset the threat from a larger neighbor which has added nuclear weapons to its overwhelmingly superior conventional force. For Pakistan's policy makers, the nuclear option is a sure deterrence against any possible threat of aggression against its security and survival. Certainly, Pakistan does not nurture any aggressive designs against any country.

A lasting solution for putting a check on the proliferation of nuclear weapons lies in evolving a just world order. As long as force remains the final arbiter and the possession of nuclear weapons is accepted as a "fait accompli" nations will continue joining the mad race of acquiring weapons of mass destruction, including nuclear weapons.

Presently, Pakistan is beset with a number of challenging problems both at home and abroad. With regard to its foreign relations, we see that our relations with America are strained. There are sharp differences with regard to our security perception. America wants us to wind up our nuclear program and withdraw our support to the Kashmiri struggle and downgrade the Islamic contents of our policy. By doing so, our economic aid may be resumed and Pakistan may be permitted to buy American arms. This, however, is too heavy a price. In case Pakistan resisted to toe the American line, in all probability, it will be declared a "terrorist state" and will be subjected to blockade and its nuclear installations would be destroyed by aerial strikes or cruise missiles.

Certain circles in the American Establishment under the influence of Zionists or world Jewry feel that Pakistan is quite vulnerable at present. Their assessment is not too far wrong. We are internally divided and there is a lot of confusion with regard to our mission and orientation. Pakistan is embroiled in controversies between its Westernized elites and its Islamic fundamentalists over its identity.

As regards expectations of the purchase of American arms, after Pakistan has surrendered its nuclear program, what Pakistan can expect to buy from America would be older generation arms, while the sophisticated arms and hi-tech weapons would remain out of Pakistan's reach. America is on the look-out to impose not only "nuclear non-proliferation" but "arms control", too, on Pakistan.

Viewing things in their broader perspective, we come to the conclusion that it is in America's own larger interest to pursue a course of friendship, accommodation and

mutual respect with the Muslim World. *Pakistan must understand that if it does not want to become hostage on the fields of international relations, it must acquire technology. In this regard, North Korea serves as the best example. It renounced the NPT when it found it running counter to its national interest. Pakistan deserves leaders with vision. They must be completely committed to work for the greater glory of Pakistan.*

Robert Gates' new stance as brought out by Seymour Hersh is a new nuance of propaganda against Pakistan. It is being depicted as a "trigger" happy and irresponsible nuclear power. It projects Pakistan as an irresponsible state which needs to be told not to use nuclear "weapons"; moreover, it is to be shown that it cannot possibly win a nuclear war against India. All this partisan approach goes to prove that India has no desire to use nuclear weapons, unless Pakistan provoked it to retaliate in kind. Mr Gates, it seems is determined to malign Pakistan beyond repair. A close look at the American policy towards Pakistan indicates that *America has been unduly hard on Pakistan, hoping that it would relent and role back its nuclear program.*

All military and economic aid has been suspended to Islamabad since 1990, under the Presslar Amendment. But this policy has not worked. In fact, Washington may have realized by now that its own non-proliferation goals might have been defeated in the process. *The lack of symmetry in the treatment of Pakistan and India has been looked upon as brutally unfair to Pakistan.*

Tracing Pakistan's stance since 1972, we find that over the period, Pakistan has offered seven different proposals to put a stop to regional proliferation. The most recent proposal, co-authored with the US, calls for multilateral discussions, involving Pakistan, China, the US, and Russia—on a non-proliferation regime for South Asia. All these proposals have been rejected by India on the ground that it (India) would only support complete global disarmament. Islamabad has said that it would sign the NPT the moment India does the same.

India's past record is that it has always blocked meaningful progress towards non-proliferation. Instead, it has continued on the course of nuclearization and has developed intermediate-range ballistic missiles putting it far ahead of Pakistan. In the process, it has placed irresistible pressure on Islamabad to match New Delhi's capabilities. In hindsight, we see that it was India's 1974 nuclear explosion and the threat of attack from a bigger and hostile neighbor that urged Pakistan to embark on its own program. Today, again, India refuses to see reason and is impervious to the message of the new post-cold war era of disarmament. It is pursuing nuclearization for prestige, throwing international opinion overboard. *The only logical course of action open for America is to adopt symmetry in policy towards Pakistan and India, with a more active American role in promoting a regional non-proliferation regime.*

In Pakistan, nuclear capability is seen both as a security compulsion and as an equalizer because of India's superiority in conventional military and economic power. No government in Islamabad could possibly survive if it abandoned the nuclear option in this regional environment. Moreover, increased penalties on Islamabad could even hasten a nuclear collision, by lowering the threshold for first strike use because it would further erode Pakistan's conventional capability.

There is a general consensus that a nuclear policy if applied symmetrically to both countries would be accepted by the domestic public, which is increasingly anxious over a nuclear arms race in South Asia. Securing a regional standstill rather than a rollback would be the first, eminently double part of a new non-proliferation package. What makes some of these ideas sound reasonable is that they appeal to public opinion in the Subcontinent. By first levelling the nuclear playing field, the stage would be set to effectively pursue the goal of non-proliferation. This will provide a way out of the current nuclear impasse.

This new nuclear bargain must envisage solemn assurances by both countries to freeze their stockpiling of weapons-related fissile material as well as to freeze activity in all areas where nuclear capability and a delivery system are being developed: missile, targeting and rocket booster programs. Implementation of the plan of such a freeze could be a bilateral agreement banning nuclear testing. This should be followed by a gradual approach towards a comprehensive system of confidence-building and security-building measures.

In sum, nuclear collision can be averted in South Asia if the element of restraint is enforced now. A freeze would put both countries on the path of nuclear non-proliferation without compromising core security interests in either country. Hopefully, it would be acceptable to both countries. It will also offer crucial breathing time to design a more comprehensive non-proliferation regime. The Clinton Administration has an opportunity to defuse an explosive situation in South Asia. It should seize the moment now.

U.S. Said Attempting Balanced Regional Approach

93AS09644 Karachi HERALD in English 15 Jun 93
pp 54-56

[Article by Ahmed Rashid: "The Balance Tilts"]

[Text] After nearly three years of trading accusations, threats and counter-threats and a steadily deteriorating relationship, the US and Pakistan finally appear to be talking to each other on a common wavelength. Significantly, the change on the nuclear issue has come about not so much because Islamabad has buckled under US pressure, but because of an apparent change in the attitude of the Clinton administration towards South

Asia. For the first time in the post cold war era, even handedness toward India and Pakistan is the latest buzzword in Washington.

"The US is adopting an active stance to promote the easing of tensions between India and Pakistan. I don't want to raise hopes too high, but it is more active a role than we have played in the past," said John Malott, the interim Director of the Bureau of South Asian Affairs at the State Department. He was speaking to a handful of journalists, including the HERALD representative, in Islamabad during a visit to India and Pakistan.

The journalists present were left gaping when Malott informed them that the lengthy briefing was actually on the record. In recent months, US officials have been reluctant to spell out their policy on the nuclear or terrorism issues and briefings have been conducted at an informal level only. The new, on the record approach implied that Washington had finally got its act together. The US was ready to announce its new policy and confident about adhering to it.

In Delhi, Malott had a frank dialogue with a gathering of the city's elite, calling for India to take steps to curb abuses by its troops in Kashmir, allow access to the area to international human rights agencies, and to pursue a meaningful political dialogue with the Kashmiris. But in response, he was almost shouted down by BJP [Bharatiya Janata Party] supporters and, the following day, Malott was condemned for interference in Indian affairs by both the government and the opposition. This reaction did not, however, seem to deter American diplomats who, in fact, appeared confident and extremely relieved that they had reached a policy decision they could stand up for.

The shift in American sentiments has been a gradual one. Malott admitted that in the last few months under the Bush administration, the State Department had initiated a major policy review regarding South Asia. The new Clinton administration stepped up this process, ordering a simultaneous policy review at the National Security Council in March. Then, in what was the most comprehensive document ever issued by a US government on South Asia, the White House presented a lengthy report to Congress on May 9, in which it spelled out its main policy objectives. The foremost aim is "first to cap, then reduce and finally eliminate the possession of weapons of mass destruction and their means of delivery. This will require that the US and others take into account, both domestic political concerns and regional security threat perceptions of both India and Pakistan."

The last clause spells a major plus point for Pakistan. The clause implies that the Americans now publicly acknowledge that the peoples of both countries generally support their respective nuclear programs. Therefore, neither government can afford to acquiesce to US demands. Also the weak, crisis-ridden regimes in both countries cannot come up with an acceptable solution

overnight. Moreover, Washington also emphasized that whereas Pakistan considered India as the only serious security threat in the region, Delhi's security concerns were more widespread.

The US report then went on to enumerate a long list of confidence building measures to be undertaken between both countries. This new US step by step approach to ease tensions was a clear departure from the earlier emphasis on trying to coerce Pakistan into signing the NPT [Nonproliferation Treaty] unilaterally. US proposals include putting an end to fissile material production in the two countries, a regional agreement not to conduct nuclear detonations and placing safeguards on new and existing facilities. Early ratification and implementation of the Chemical Weapons Convention, extending the nuclear no-attack pledge to cover population centers, and tightening the export of nuclear materials by both countries were also stated as objectives in the proposal.

This publicly announced agenda will allow the US to see that highly structured talks are held between both countries which, in turn could serve as a format for similar structured talks in the future in which individual issues could be taken up one at a time. Realizing that neither side can make any major headway on its own, the US has seized the bull by the horns, taking it upon itself to prepare the groundwork for such talks. Pessimists predict that such an agenda, even with the full backing of the US, could well spill over to the next country. The more optimistic, however, hope that the US proposals, seconded by Japan and Europe who are the principle aid donors to South Asia, could considerably hasten the improvement of Indo-Pak relations. Even if both countries agree to abide by the most easily negotiable proposals, such as agreeing to ban chemical weapons, it would count as a considerable achievement.

The US also proposed an agenda of talks to strengthen security in the region. This agenda includes the demilitarization of the Siachin Glacier, both states to cease support for militants who commit terrorist acts in each other's territories and an expanded Indo-Pakistani dialogue to cover nuclear as well as conventional arms reduction. Also advocated is an increasing transparency in the two countries' respective defense budgets, initiating regular military exchanges and attending each other's military exercises. The fact that the US is now treating both countries at the same level, extending the terrorist label to both, is a major step forward for Pakistan. Although still stressing that Pakistan had to "show progress on the ground" in curbing terrorism from its territory, Malott conceded that "India has been involved in some inappropriate acts in Pakistan."

Malott did not go so far as to say that Kashmir was the key, all-important problem between the two countries, as recently stated by American defense expert Stephen Cohen in a paper that has created waves in both Islamabad and Delhi. However, Malott admitted that it was "a core issue, the resolution of which has to be part

of a comprehensive approach to other issues." The US administration's statement to Congress unambiguously states that the obstacle to peace in the region "is the persistent level of tension and distrust between India and Pakistan, arising from domestic political constraints, popular emotions fed by the memories of partition and three wars and the unresolved dispute over Kashmir."

Nuclear non-proliferation, the Americans now say, "cannot be addressed simply as a non-proliferation issue pursued on the basis of external pressure by the US alone". In other words, Washington has finally admitted, albeit in guarded language, that the Bush policy to pressurize Pakistan alone on its nuclear program has not yielded satisfactory results. Islamabad's greatest success has perhaps been in holding out on its nuclear program, even after all aid to Pakistan was cut off under the Pressler Amendment. The new US policy is, in fact, an admission that the Pressler play has failed.

The natural extension of this conclusion would be that the US withdraw the Pressler Amendment, resume aid to Pakistan and then deal with both countries on an equal footing. "However, the US will not be content without a change in Pakistan's nuclear program. We cannot undercut our non-proliferation policy. We can't give that up. We would be admitting that we have lost. But I recognize that because of the Pressler Amendment, there is a difference of approach towards India and Pakistan," Malott said.

The new US proposals recognize that India's security concerns are more diverse than Pakistan's, that India has a distinct foreign policy and that all nuclear issues can only be dealt with in a global context. Pakistan, meanwhile, wants to deal with these issues in a bilateral context with India. But even in view of these factors, the Americans have put India on the defensive for the first time since 1990. In perhaps the most frank assessment Malott has made which serves as a clear indicator of where American pressure on India is now focused, he admitted that "we are trying to persuade them (India) to take action on a bilateral basis."

Under their revised approach, the Americans now have a rejoinder for critics who accused them of abandoning the South Asian region during the Bush administration, because of former Secretary of State James Baker's unwillingness to deal with the subcontinent. Washington has also satisfied those who insisted that without US involvement and commitment to a dialogue, neither country would ever resolve mutual differences.

American pressure on India will now focus on trying to persuade the country to enter into bilateral talks with Pakistan on at least part of the proposed agenda. This will not be an easy task as India refuses to discuss security issues, even simple military exercises, without also bringing up the threat it faces from the other Asian giant, China.

For Pakistan, the US turnaround represents a significant breakthrough. However, Islamabad's real problems

continue to simmer at home where there is no political consensus on the country's foreign policy. The Jamaat-i-Islami still vociferously accuses all past governments of selling out to the US, although there are no facts to substantiate this allegation, even as the country staggers from one constitutional crisis to another. More than ever before, Islamabad needs to present a moderate, sensible and accommodating image to the outside world in order to benefit from the political confusion and growing polarization on foreign policy in India. For the moment, Pakistan has the edge on the nuclear issue. But to keep this advantage alive, our policy makers will have to tackle the situation with more maturity than they have demonstrated in the past.

JI Support to Tajik Insurgents Seen Politically Damaging

93AS0946D Karachi HERALD in English 15 Jun 93
pp 62-63

[Article by Ahmed Rashid: "Playing With Fire"]

[Text] In the most recent twist to the Central Asian drama being staged on Pakistan's doorstep, the Jamaat-i-Islami (JI) is allegedly providing arms, money, training and cadres to Tajik militants as they prepare for a summer offensive against the government in Dushanbe, which is being backed by the armed forces of Uzbekistan and Russia. Retired ISI [Inter Services Intelligence] officers from Pakistan are reportedly involved in the clandestine operation, a factor which may cause severe strains in Pakistan's relations with Central Asia and Russia. Uzbekistan and Tajikistan have directly accused the government in Islamabad of doing nothing to stop what they term Pakistani interference in their internal affairs.

Several thousand Tajik guerrillas belonging to the Islamic Renaissance Party (IRP), that was ousted from power last December, are now poised to launch a major offensive against the pro-communist government. According to foreign diplomats in Islamabad and Tashkent as well as Afghan and Tajik sources, the IRP has three major bases in Afghanistan. At a camp near Kunduz in northern Afghanistan 80 kilometers from the Tajik border, some 2,000 guerrillas are being trained, fed and armed by an Islamic alliance of Pakistani and Afghan radicals. These include the mujahideen leader and designated Afghan Prime Minister Gulbadin Hekmatyar, Pakistan's Jamaat-i-Islami and retired officers of Pakistan's Inter-Services Intelligence (ISI).

Last month, Qazi Hussain Ahmed hired a private plane to visit Kunduz where dozens of Jamaat activists are presently based. However, the plane could not land due to inclement weather. Sources confirm that before his dismissal, Prime Minister Nawaz Sharif had given clearance to Qazi Hussain to visit Kunduz and that his government had gone along with the Jamaat operation, without informing either the Foreign Office or the army.

The Jamaat is allegedly heading a committee to raise funds for the rebels from Gulf Arab sources as well as Islamic radical groups in North Africa and Iran. The Jamaat's cadre in Kunduz is providing logistical support to the IRP by ensuring the supply of food and ammunition, amongst other things. The Jamaat, meanwhile, denies that it is involved in helping the IRP or that some of its cadres are stationed in Kunduz.

Highly placed sources allege that the former ISI chief, Lt General Javed Nasir, approved of the help being given to the IRP and encouraged retired ISI officials to help the Jamaat. General Nasir was forcefully retired from the army after the fall of the Nawaz Sharif government because of allegations that the ISI was turning a blind eye to fundamentalists operating from Pakistani soil.

At another camp in the nearby town of Taloguan under the control of Hekmatyar's main rival and the present Afghan Defense Minister Ahmad Shah Masoud, several hundred Tajik militants are undergoing training. Masoud, who is himself an Afghan Tajik, is also funding and arming the IRP. Both Hekmatyar and Masoud are vying for influence in the IRP.

In Jalalabad, several IRP leaders have set up political camps to coordinate their efforts. Qazi Turadzhon Zoda, the former mufti of Tajikistan, and Daulat Usman, an IRP leader and former deputy prime minister of the coalition government that was defeated last December, are just two of the prominent leaders currently in exile in Jalalabad. They travel frequently to Islamabad to meet Arab and Pakistani intelligence officers as well as to Lahore where they were feted by the Jamaat-i-Islami.

The guerrillas draw their manpower from some 94,000 Tajik refugees that escaped the bloody fighting last December and fled to Mazaar-e-Sharif in northern Afghanistan. A vast majority of them are being looked after by the UNHCR [United Nations Office of High Commissioner for Refugees] under trying conditions. The continuing civil war in Afghanistan has led to a breakdown of communications and acute food shortages. On May 24, the first of some 300 refugees were repatriated back to Tajikistan in an operation that is likely to take several months. It is mostly women and children who have been repatriated as men tend to stay back and enlist with the mujahideen, according to UN officials. Several dozen Arab volunteers who escaped the recent crackdown in Peshawar are now believed to be helping the IRP in Kunduz.

In April, some 300 well-armed militants crossed into Tajikistan and were chased by aircraft and troops belonging to Uzbekistan and the Commonwealth of Independent States (CIS). Some 100 of these militants were killed in a series of skirmishes. The Tajik and Uzbek foreign ministers have openly accused Afghan mujahideen groups and Pakistan's Jamaat-i-Islami of helping the rebels.

The regime has declared a state of emergency and has boosted its patrolling of the mountainous and highly

porous 1,300 kilometers- long border with Afghanistan. One battalion of 500 men from the CIS and another from Kyrgyztan has arrived to boost the 3,000-men-strong CIS troops defending the border. Another two battalions from Kazakhstan and Uzbekistan are expected to arrive soon. The Tajik regime can muster no troops of its own, but has well-armed militia units.

Russian Defense Minister General Pavel Grachev visited Dushanbe recently and ordered the 201 Division based there to help the government. In March, Uzbekistan announced that it had taken over responsibility for Tajikistan's air space. Russia and Uzbekistan were the main military props for President Imam Ali Rakhmanov when he took power in Dushanbe.

Since then, the government has carried out a major operation directed against the opposition and the IRP, killing an estimated 5,000 people in Dushanbe alone and destroying entire villages around the city, according to aid officials and Tajik refugees. Thousands of Ismaili Muslims from the Pamirs settled in Dushanbe were driven out of the city. The civil war had already created some 600,000 internal refugees in Tajikistan as farm workers fled their homes to avoid being caught up in the fighting. The government appears to have done little to guarantee their safe return home.

The recently released US State Department's Human Rights report accuses the Rakhmanov government of large scale human rights violations which include "summary executions, taking of hostages, torture, rape and looting". The entire leadership of the opposition parties—the IRP, the Rastokhez and the Democratic Party—have fled to Afghanistan, Pakistan, Iran or Moscow.

The government has refused to hold talks with the opposition and has taken legal steps to ban the parties and condemn their leaders to death in absentia. The lack of any political initiative in Tajikistan is further fueling political and ethnic polarization. Uzbeks, who form 23 percent of the total population of 5.4 million, largely support the present government, while Uzbek President Islam Karimov's help to the regime has further widened the gulf between Uzbeks and Tajiks. The regime is almost entirely dependent on Uzbek food, fuel and financial assistance as President Karimov builds himself up as the gendarme of the region.

In March, President Rakhmanov paid a five-day visit to Beijing to ask for help to control the spread of Islamic fundamentalism. China has subsequently warned Pakistan and Iran not to interfere in Tajikistan which shares a 500 kilometers border with China's Xinjiang province. After the Israeli Prime Minister Shimon Peres visited Delhi in May and issued a joint statement with India saying that both countries would prevent the spread of fundamentalism in Central Asia, a high level Indian delegation flew to Tashkent and Alma Ata to offer help to Uzbekistan and Kazakhstan.

So far, the only international effort to bring peace to the region has been undertaken by the UN. In May, the UN Secretary General named the Iraqi diplomat Ismat Kit-tani as his Special Envoy to Tajikistan. However, with little support from Russia, Afghanistan in a state of anarchy, and the Muslim world reluctant to condone a regime that has killed so many of the Islamic opposition, there is little the UN can do. With the government refusing any dialogue with the opposition, fighting is expected to escalate in the summer.

However, for Pakistan the clandestine foreign policy conducted by the Nawaz Sharif government has seriously jeopardized Islamabad's relations with Central Asia and Moscow. These leaders were only just getting over their decade-long suspicion of Pakistan because of its support to the Afghan mujahideen, when the Jamaat has revived fears that Pakistan intends to destabilize the entire region. The result is that Pakistan's diplomatic and economic efforts in the region over the past year have been dealt a severe blow.

The Jamaat's activities are also affecting Pakistan's relations with Russia, which is likely to use this situation as an excuse to get closer to India and support the new India-Israel axis in Central Asia. This axis is expected to concentrate on undermining Pakistan's involvement in Central Asia. Even though the Jamaat was the first to cry foul over this new axis, its actions have played a role in its emergence.

With the return of the Sharif government, a question mark hangs over the changes the caretaker government made in the ISI. The restored government will now have a very difficult time trying to appease the Central Asian states and to prevent the Jamaat from giving Pakistan a bad name.

Indo-Israeli Ties Feared, Military Alliance Seen

93AS0956E Karachi DAWN in English 17 Jun 93 p 11

[Article by Khalid Mahmud Arif: "Expanding Indo-Israeli Nexus"]

[Text] In 1917, the Balfour Declaration supported by Britain, France, Italy and the USA promised a national home to the Jews in Palestine. In return these powers made conflicting promises to Arabs and Britain, even encouraged them to revolt against the Turks. In the post war era, despite the strong Arab opposition, large-scale immigration of the Jews into Palestine took place.

In 1947 the UN decided to partition Palestine into a Jewish state and an Arab state. Britain then made an undignified posthaste retreat from the area and the state of Israel came into existence in May 1948. The Palestinian people became refugees in their own lands, a wrong that has yet to be put right. While the Arab countries were at loggerheads with the new state, India recognized Israel in February 1950 and allowed her to

establish a consulate in Bombay. The Indo-Israeli ties at the official level have since greatly developed in size, scope and dimension.

In the Indo-Pakistan adversary relationship Israel has become a factor. Pakistan's consistent support to the just cause of the Palestinian people and India's ambivalent attitude on the issue helped to forge an Indo-Israeli equation. India and Israel have frequently adopted a joint approach on issues of substance to the detriment of the interests of Pakistan. Their bilateral economic and diplomatic cooperation in the early years was substantially expanded in the wake of the Sino-Indian border conflict in 1962 during which Israel rushed military hardware to India.

The military connection was subsequently painstakingly developed to include defense production, sharing of technology and more significantly collaboration in the intelligence, media and the diplomatic fields. The Indo-Jewish lobby has long worked in unison to defame and malign Pakistan and paint it in ugly colors.

India and Israel, both clandestine nuclear-weapon powers, have adopted bomb-in-the-basement policies. In the past Israel helped South Africa in making the nuclear weapons and in recent times she is accused of secretly sharing sensitive technologies with India. Lately, both the countries have hired the nuclear scientists rendered surplus in the erstwhile Soviet Union. India and Israel share a common history of launching unprovoked aggression against their neighbors and committing gross human rights violations against the Muslims in their respective countries. Since the early eighties they have been exchanging intelligence to damage Pakistan's nuclear installations. So hard was the available evidence that at one time Pakistan conveyed to India that any such misadventure would be treated as an act of war and responded accordingly.

Be it her nuclear program, the US aid, the shameful one-country Pressier Amendment or the fabricated allegations of religious extremism and terrorism, Pakistan invariably faced a media and diplomatic blitzkrieg orchestrated by the hidden hands in the CIA, New Delhi, Tel Aviv and the Zionist centers in the US. It is a rebuke to her foreign policy that Pakistan's case invariably went by default. Islamabad has been perennially involved in damage-control efforts in a manner not worth boasting about.

The disintegration of the Soviet Union, on which India relied heavily for political, technological, diplomatic and military support, caused the South Asian country to make a U-turn in her foreign policy. India quickly off loaded the policies and principles which had invariably kept a gulf between Washington and New Delhi since 1947. She promptly adopted a new brand of political philosophy which justified mending fences with America to take advantage of the changing international realities. India and the USA excel in conjuring up arguments in support of their operational hypotheses. Importantly,

India's rapidly growing cooperation with the USA also demanded a honeymoon with the US pillar in the Middle East, Israel. The well briefed Indian media is euphoric on this development which in its assessment has put Pakistan on the spot.

During Shimon Peres's May 1993 visit, India and Israel concluded bilateral agreements that will enhance cooperation in the fields of aviation, cultural exchanges, scientific and technical education, tourism and upgradation of the defense equipment. The hidden agenda included increased intelligence effort in the mutually agreed target areas—Pakistan, the Middle East and the Central Asian Republics included—and missile technology. The Indian analysts have long accused Israel of clandestinely transferring the US origin tank-related technology to China. India hopes to obtain through Israel the sensitive high-technologies which the USA and other countries are presently not prepared to share with her. These may cover the nuclear, the weapon delivery and other related fields.

Shimon Peres's advice to the BJP [Bharatiya Janata Party] leader Advani for a demographic change in the State of Jammu and Kashmir by a mass induction of the Hindu population into the area is a cause for concern in this country and in the Muslim world. During a recent visit to India this scribe observed knowledgeable Indians mischievously smiling when a denial on this report was belatedly issued. Israel has considerable experience of converting the Palestinians into a minority in their own country. Whether or not the Israeli model can be applied in Kashmir is a different question.

With the on-going induction of two additional infantry divisions in the Valley the Indian occupation forces have launched a scorched earth policy to subdue the freedom struggle. This is a leaf from the Israeli book on Palestine. The additional troops will provide the flexibility of using the military either for internal security purposes, as claimed, or for undertaking an offensive venture at a short notice. The reduced mobilization time and increased operational capability of the adversary will be sharply noticed by the policy planners in Pakistan. It may be recalled that the Indian army had prepared a similar plan in 1989 which raised alarm bells in Washington.

The Indo-Israeli collaboration significantly extends to the strategically sensitive border area Rajasthan, the venue of the Indian nuclear implosion in 1974 and exercise Brass Tacks in 1987 which caused red alert in the two countries. The Indian armored and mechanized formations, modernized and expanded in the last few years, frequently train and shoot in this desert and semi-desert terrain. Seen in this context the Indian assertion that they were learning drip technology from the Israeli experts in the Rajasthan sector is absurdly comical. India, with a large and well developed agricultural base, can eminently export agricultural technology

to Israel. The reverse flow of technology pertains to the employment of mechanized formations in which Israel possesses some expertise.

Pakistan need not worry about India having good relations with other countries including Israel. However, the lack of transparency in the Indo-Israeli collaboration makes it suspect, to say the least. For example no plausible reason has been given for the presence of the Israeli commandos in Srinagar where they had an encounter with the Kashmiri freedom fighters last year. Were they honeymooning in the valley of death which India has closed to all foreign visitors?

Through an intense diplomatic and media effort Pakistan may expose to the world the dangers inherent in the sinister Indo-Israeli linkage. The possibility of a beleaguered Narasimha Rao attempting to externalize his self-created domestic problems cannot be ignored. The world public opinion is critical of India. Her human rights record in Kashmir and in other parts of the country is similar to that of Nazi Germany against Jews in World War II.

U.S. Subcommittee Stance on Kashmir Criticized

93AS0955B Lahore THE PAKISTAN TIMES
in English 18 Jun 93 p 1

[Article by Hazoor Ahmed Shah: "U.S. Congress Body Bias on Kashmir and Other South Asian Issues"]

[Text] What a startling revelation it is to a group of US Congressmen that "resolutions calling for a plebiscite in Kashmir have been overtaken by history." If this assessment is to be accepted, it nullifies the US official policy line that Kashmir is a disputed issue.

The (US State Department's) high-ranking official, John Malott, had earlier stated categorically that the US regards Kashmir dispute "a major source of tension" between Pakistan and India. He, however, reiterated that any solution must take into account the views of the Kashmiris themselves. This position, he explained should not be seen as "either supporting or rejecting the possibility of a plebiscite in the disputed state."

In flagrant contradiction the House Subcommittee on Asia and the Pacific in its report to the House Committee on Foreign Affairs says that although "a plebiscite might remain the most desirable means of all owing the Kashmiris to express their own views, it is almost impossible to imagine a situation where both New Delhi and Islamabad would agree to such a vote".

May it be asked why Kashmir is regarded as a dispute between Pakistan and India if not for the fact that the issue has remained very much alive in the United Nations' official record. Besides, in pursuance of the UN resolutions Pakistan and India have remained committed to the holding of a plebiscite under the UN auspices to determine whether the people of Jammu and Kashmir state wished to join Pakistan or India. If history

were to "overtake" the UN resolutions calling for a plebiscite in Kashmir, then whose failing it is if not of India. What right does the US Congress subcommittee, headed by Congressman Gary L. Ackerman, have to jump to its conclusion that "any policy that is premised on the holding of a plebiscite throughout the entire pre-partition state of Jammu and Kashmir is doomed to failure".

The Ackerman subcommittee report says the Simla Agreement did not foresee "the emergence of Kashmiris as a third party to the dispute" and for that reason it was difficult "to imagine a settlement that is imposed upon the Kashmiris without taking their wishes into account". True, it is the Simla Accord that provides the mechanism of bilateral negotiations for the peaceful, but just, solution of the Kashmir dispute but at no stage Pakistan has envisioned that such talks under the Simla Agreement would be a sole Pakistan-India affair and that the genuine Kashmiri leaders would not be given due representation or the wishes of the people of Jammu and Kashmir state would not be taken into account.

Besides, the UN resolution while recognizing Pakistan and India to be parties to the Kashmir dispute have called for the holding of a UN-sponsored plebiscite—a directive which not only takes very much into consideration the Kashmiris' right to self-determination but also binds Pakistan and India to honor it. India cannot wiggle itself out of its time-honored commitment unless it dares to formally serve notice on the United Nations that the Occupied Kashmir is its (India's) integral part, that it regards the UN resolutions and the plebiscite directive as time-barred and that it seeks to withdraw its original complaint lodged with the UN by virtue of which it (India) had, along with Pakistan become a party to the dispute.

Even so the matter does not end there. India's wild dreams of keeping the Kashmiris under military occupation and, thereby, presenting the case a fait accompli could never hope to come true. The UN would not let its resolutions be scuttled arbitrarily. Pakistan would never swerve from its solemn commitment to the Kashmiris' right to self-determination and, above all, the Kashmiris who are rewriting their history in blood and with sweat and tears would not rest content unless they exercise freely their birth right to choose their destiny.

Mere finding of the Ackerman subcommittee report that the holding of a plebiscite in Jammu and Kashmir "is doomed to failure" is of no consequence as, in the ultimate analysis, it is the will of the Kashmiris that would prevail.

Prime Minister Nawaz Sharif told leading religious personalities here on Tuesday that no amount of brutal oppression or atrocities can quell the spirit of Muslims whether it was Kashmir, Bosnia or Palestine. The Muslims of Kashmir, he said, have carried on their relentless struggle for being able to exercise their right to franchise for accession to Pakistan so they could safeguard their

Islamic identity. The Kashmiris have been subjected to oppression and torture just because of their demand for honoring the human and Islamic rights, the PM asserted.

The Ackerman subcommittee report, acknowledging that India faces a "full-blown, largely indigenous insurgency" in Jammu and Kashmir says India did not seem to possess any comprehensive government strategy for responding to the legitimate political grievances of the Kashmiri people. It urges both New Delhi and the Kashmiris to "pursue a just and durable political solution," but admits that the prospects for a "genuine political dialogue between Delhi and the Kashmiris appear bleak".

Note the House body of Congressmen having craftily eliminated Pakistan from the prospective talks on Kashmir and have instead, suggested a "genuine political deadlock between Delhi and the Kashmiri people". Note also their ruling out plebiscite as the full and final solution of the Kashmir dispute and, instead, they have put in what they blatantly perceive, the Kashmiris' "legitimate political grievances" (emphasis on "grievances", and side tracking the only one demand namely the right of self-determination, of the Kashmiris).

Chastising India for unleashing a reign of terror and oppression in the Held Kashmir and for perpetrating human rights abuses the chairman of the subcommittee says "some Indian security forces have been engaged in widespread human rights abuses in Kashmir against the civilian population which include rape, reprisal attacks against civilians, summary executions, torture of detainees, systematic arson and attacks on medical personnel and human rights monitor". The subcommittee asked New Delhi to make available lists of security force members listed for human rights violations, including rape and torture.

On the nuclear question, the congressmen were "inclined to believe that the current US nuclear non-proliferation legislation in South Asia bears further scrutiny, and that "India's nuclear program is of equal concern to the United States as that of Pakistan".

Agreeing with Pakistan's regional approach to the nuclear question the Ackerman subcommittee says it is convinced that proliferation in South Asia is chiefly a regional problem and requires a "vigorous regional approach". This could later be expanded to unilateral efforts such as the negotiation of a comprehensive test ban".

The House subcommittee feels there is no need to link US aid to the latter's nuclear program (though it has penalized Pakistan severely for the same). It, however, noted that many congressmen believe otherwise. The subcommittee, therefore, urged India to take appropriate action vis-a-vis its nuke policy if it wanted to avoid the US aid being linked to its nuclear program.

The Ackerman-led Congressmen must be aware of the US administration's policyline to treat Pakistan and

India on equal footing on issues of concern to the South Asian region. Besides, the kind of report the subcommittee has submitted to the House Foreign Affairs Committee ought to have been based on on-the-spot findings in Kashmir. Did the concerned Congressmen ask for permission to visit the Occupied Kashmir? Obviously not. Because they knew the Indian government would flatly reject their plan to visit the occupied territory to see things on the spot and to meet the oppressed and tortured people face to face along with the criminal hangmen and prosecutors.

Paper on UN, U.S. Involvement in Kashmir Settlement

BK2309125993 Islamabad THE PAKISTAN TIMES
in English 23 Sep 93 p 6

[Editorial: "Kashmir: India's Claim Belied by U.N."]

[Text] For the first time in several years, a reference has been made to the India-Pakistan dispute over Kashmir in the annual report prepared by United Nations Secretary-General Butrus Butrus- Ghali for presentation to the 48th session of the UN General Assembly which commenced from Tuesday. In his report, the UN Secretary-General says: "The United Nations Ministry Observer Group in India and Pakistan (UNMOGIP) has been monitoring the cease-fire in Jammu and Kashmir since 1949. In the Simla Agreement of 1972, the two countries affirmed their commitment to respecting the cease- fire line and to resolving the issue peacefully through negotiations." Further, he has offered his good offices in facilitate the quest for a lasting solution to the dispute.

The three-month session of the General Assembly will be addressed by a number of heads of state and government, including President Bill Clinton, and other high-level delegations from around the world. The Pakistan delegation will be led by Foreign Minister Abdul Sattar who will address the Assembly on Sept. 29. It is expected that Pakistan would introduce a draft resolution seeking the General Assembly's condemnation of the massive violations of human rights by Indian security forces in Kashmir and demand an immediate end to them. Pakistan has already consulted Islamic and other governments on the resolution and received encouraging response from many of them. Getting wind of the development, India has circulated a communication among the UN member states asking them to oppose the resolution if put to vote. On the other side, the Indian-appointed government in the occupied State has been asking the Mujahideen to lay down their arms and participate in elections. But they have flatly refused to do so and categorically stated that they would continue the struggle till achieving complete independence from India. The recent upsurge in killings and other brutalities in occupied Kashmir clearly depicts the failure of the Indian Government's attempt to resolve the crisis through force. Instead of addressing itself to the root cause of the freedom movement, it is trying to crush it by

force thereby subjecting the civilian population to untold atrocities. The state's capital, Srinagar, has been reduced to rubble and entire localities have been burnt down. Residents who try to escape the raging flames are fired upon by the security forces. It is regrettable that world pressure in India to end its repressive policy in occupied Kashmir has been woefully lacking. Having recently upgraded its military contacts with India, the United States has the leverage it can use. Until India acts to end the repression, prosecutes all those responsible for human rights abuses, and allows international humanitarian organizations to visit the areas under its control, the United States should suspend all military assistance and sales to India and urge its allies to do the same. They are in a position to bring the Indians to the negotiating table to find a peaceful and permanent solution of the Kashmir problem. Till such time tension would continue to mount in the region and the blood of the innocent would keep flowing in occupied areas, India can no longer keep trumpeting that Kashmir is its integral part. The United Nations annual report belies that claim and accepts it to be a disputed territory.

Daily Urges Nations To Accept U.S. as Sole Superpower

*BK2909115993 Islamabad PAKISTAN in Urdu
27 Sep 93 p 10*

[Editorial: "The U.S. Military Strategy"]

[Text] Miss Madeleine Albright, the U.S. permanent representative to the United Nations, speaking on the topic of "the use of military force in the post-Cold War era" at the National War College in Washington, has said that the United States will not hesitate to use force, if necessary, to safeguard its global interests. Of course, the United States is now more secure than before, but it is aware of the new dangers as well. These dangers can arise from the weapons of mass destruction falling into the hands of Iran, Iraq, and North Korea. The countries of South Asia, which are facing regional tension, can also become a source of danger. The same thing applies to Georgia and Bosnia. The breakup of governments in certain countries may also pose a threat. The United States will strive to collectively eliminate tension as far as possible, but when the need arises to protect the United States and the U.S. people, President Clinton in his capacity as the commander in chief will not shirk from taking any action. Wherever the U.S. and its citizens do not face any immediate threat, the U.S. administration will eliminate dangers there with the cooperation of the United Nations and other organizations. However, Washington cannot rely on the United Nations as an alternative guarantor for the protection of basic U.S. interests. Had the U.S. relied on the United Nations in controlling Communism, the Berlin Wall would have been standing there even today. Likewise, had the United States assigned the task of safeguarding Israel's interests to others, the signing of agreement between Israeli Prime Minister Rabin and Palestine Liberation Organization's Yasir 'Arafat at the White

House lawns two weeks ago would not have been possible. The Clinton administration has been astute in not preparing a list of conditions and circumstances under which military force can be used. Every issue will be dealt with separately. Where diplomacy proves effective, it will be applied; and wherever the use of force becomes inevitable, it will be used. Nobody should have any doubts about the U.S. power to fight and strike.

The U.S. goals as outlined by Miss Madeleine Albright at the United Nations are based on facts. The United States is now the sole superpower in the world and desires to mold the world to its liking. Washington gives precedence to the interests of the United States and its people over others. Even the U.S. interest in the establishment and maintenance of peace is directed only toward protecting its own interests. Washington will take military action unhesitatingly wherever it thinks its global interests are at stake.

The observations made by the U.S. permanent representative to the United Nations about the U.S. global strategy cannot be cursorily overlooked. The United States is determined to take diplomatic or military action wherever its interests are at stake. It is the United States which will decide which source is to be utilized and where, and the main consideration in making such decisions will only be the U.S. interest.

The nations of the world, especially the backward countries, will be constrained to toe the U.S. line. Apparently, this seems to be contrary to the concept of interstate relations based on equality, but it is also not possible to fight shy of it. Keeping in view these bitter and unpleasant facts, the nations of the world will have to take measures designed solely to protect themselves and their interests, and these measures include ending regional tension, resolving mutual disputes on the basis of truth and justice, avoiding confrontation, and striving for the promotion of friendly cooperation.

The Cold War has ended and with it a superpower—the Soviet Union—has vanished from the global scene, leaving the United States as the sole superpower. In this situation, there should not be any hesitation in having an honorable adjustment with the United States. The elements which oppose the United States just for the sake of quenching their thirst for raising slogans and which consider doing so a means of becoming famous, are devoid of the capacity to recognize the truth. Even if they do not intend to recognize the United States as a sole superpower, they should not oppose it. It is essential for the countries like ours to try to create a solid foundation for international cooperation. We should take steps to improve our domestic situation. Every nation should be united and organized and be able to take measures to make full use of all its manpower and material resources. Every nation should establish a relationship based on trust and understanding with other nations without any mental reservations, and overcome its economic and social problems through broader international cooperation.

There is no harm in accepting the United States as a sole superpower. Why not to acquire economic, scientific and technical aid from the United States if it can be obtained from there? The U.S. permanent representative to the United Nations has already clearly explained her country's military objectives. Now, it is for the nations of the world to evolve a broad-based process of construction and development instead of creating grounds for the United States to take military action. They should ardently support each other and take measures to achieve each other's cooperation and assistance.

Paper Comments on U.S. Interest in Kashmir Issue

BK2909124393 Islamabad THE PAKISTAN OBSERVER in English 29 Sep 93 p 6

[Editorial: "Clinton on Kashmir"]

[Text] THE PRESIDENT of the United States Bill Clinton in his maiden address to the General Assembly drew world's attention to the Indo-Pakistan dispute over Kashmir among some other chronic trouble spots. This is without exaggeration a moral victory for the freedom fighters of Kashmir whose resolve and sacrifices have forced the only remaining superpower of the world with pronounced pro-Indian tilt in its foreign relations, to acknowledge the existence of conflict in a part of the world claimed by India as its integral component. Having said that, the next logical question which arises from the statement is what practical measures the U.S. proposes to adopt to solve this problem.

So long as the unrest in the Valley remained at low level, New Delhi's well-oiled propaganda machinery was able to persuade many governments that the trouble was fomented by external forces hostile to India, meaning Pakistan. New Delhi was also hoping that by its iron-fist policy it would quell the revolt and the problem would fade away. It has deployed massive military force to stamp out the unrest. At present there are above four lakh strong Indian security forces and it is spending approximately eight crore rupees everyday on this operation. Yet greater repression only sparks greater response from the militants.

There is a real danger that if a peaceful settlement of the problem is not found, the conflict will spill over across the borders and engulf the entire region. Given the proliferation of nuclear weapons, the possibility of conflict developing into atomic warfare cannot be ruled out. That scenario would have disastrous consequences worldwide, considering the explosive nature of the situation. It would be in the fitness of things if U.S. were to use its considerable clout to persuade India to give up its intransigence on the issue. The scale of U.S. investments in India is so vast that continuing turmoil will harm its vital interests. The U.S. has a range of options in this

field—selective trade and technological restrictions, economic sanctions through the Security Council as well as diplomatic and political pressure through usual state-to-state channels.

However, U.S. policy makers must be warned against working towards a solution in isolation from the wishes of the people of Kashmir. Their right of self-determination is not negotiable and it should not be treated as a bargaining chip. Any resolution of the conflict which ignores this vital element will not last longer than it takes to sign a document. And of course forget about Oslo-type hush hush horse-trading.

Paper Urges Caution in Resolving Kashmir Dispute

BK0110110193 Rawalpindi JANG in Urdu 30 Sep 93 p 10

[Editorial: "The U.S. Interest in the Kashmir Dispute—Need for Caution"]

[Text] The United Nations and the United States have recently started taking greater interest in the Kashmir dispute. The issue of Kashmir has been mentioned again in the world body after two decades. For the first time in history a U.S. president referred to the Kashmir dispute at the UN platform with words which augur well for Pakistan and cause concern for India. From the Kashmiri and our point of view, it is an encouraging situation. Simultaneously, however, reports are also coming in which indicate or create an apprehension that the United States [word indistinct] is mulling over a solution of the Kashmir issue which is not in conformity with the UN resolutions. Pakistan's stand in this context is clear. India itself had pledged to conduct a plebiscite in the whole of the state of Jammu and Kashmir. The world body through its resolutions also prescribed such a solution of the Kashmir dispute. Pakistan will support only a solution which conforms to those resolutions and it hopes that the countries which espouse the cause of the right to self-determination, justice and law will also support such a solution.

Pakistan should remain alert to the implications of what a spokesman of the U.S. State Department said about Kashmir the other day. The spokesman said that Kashmir has long been an explosive issue and its (?solution) was delayed and stalemated due to one reason or another. "However, a solution to it is now a matter of only a few weeks." Clarifying further, the spokesman said that U.S. President Bill Clinton has played an important role in resolving the Palestine issue, and in the same spirit, he is now moving to resolve the Kashmir dispute as well. He wants to seek a solution which is acceptable to all three parties to the dispute. Talking to INTERNATIONAL PRESS SERVICE [IPS], senior officials of the United Nations and U.S. Administration said that the United States in cooperation with the United Nations is preparing a draft for a permanent solution of

the issue which will be presented to relevant parties for further consultation and revision.

According to IPS, two formulas are currently under consideration. One is to make the existing Line of Control the permanent border between the two parts, with each part enjoying the status of an independent state where the UN forces will remain stationed until the two states become stable and reduce their dependence on India and Pakistan. The second formula is to amalgamate the two parts and restore the status of Jammu and Kashmir state which existed in 1947 and to grant it the status of a fully sovereign state. Obviously, both of these plans are totally unacceptable to Pakistan. Pakistan feels that accepting such a formula is tantamount to betraying the interests and aspirations of the Kashmiris. The government of Pakistan should never allow itself to be entrapped by these so-called plans and should stick to its principled and traditional stand.

The Kashmir dispute has resurfaced due to the struggle of the Kashmiri freedom fighters and the world has been forced to take a note of it. The struggle will ultimately culminate in a just solution. The U.S. State Department spokesman's statement that a solution of the Kashmir issue is a matter of only a few weeks away evokes amazement. The caretaker government should not show any weakness and should remain cautious, rejecting any proposal which is inconsistent with Pakistan's principled stand. It should leave the whole thing for the new elected government, which will be accountable to the people.

Kashmir Leader Calls on Arabs To Cut Indian Ties

94AS0004A London AL-HAYAH in Arabic 3 Oct 93 p 8

[Interviews with Mohammad Abdul Qayyum Khan, "Azad Kashmir" prime minister, by Bari'ah 'Alam al-Din in London; date not given]

[Text] The prime minister of "Azad Kashmir," Sardar Mohammad Abdul Qayyum Khan, has called upon all Arab and Islamic countries, asking them to support the rights of the people of Kashmir by recognizing their sovereignty over their land. He accused India of retreating from its opposition to the unity and independence of Kashmir, judging that it is considered by the international community to be a sovereign state with recognized international borders.

The Prime Minister of Free Kashmir confirmed, in an interview with AL-HAYAH in London, that the people of his country are determined to continue the struggle to liberate their country and recover what remains of Kashmir under Indian control. He said that the peoples of the world will soon hear news of this people's action to achieve its national rights.

Sardar Mohammad Khan is seen as one of the politicians who fought by all means to liberate his country from Indian control. He led an armed guerrilla organization whose members have worked for liberation since 1947.

He headed the Kashmiri National Conference Party and held the post of President of Kashmir for several years.

At the start of the interview, he said that the area of Free Kashmir (that is, the portion belonging to Pakistan) is 32,000 miles, with a population of 13 million. It was freed from Indian rule in 1947-48, after an all-out popular revolution, while India retained control over parts of Kashmir with two-thirds the population and the area of "liberated" Kashmir.

He said that the problem of Kashmir began with the idea of partitioning India and Pakistan. Hundreds of districts and religions chose between joining India or Pakistan. At the time, an Anglo-Indian committee was formed, headed by Lord Mountbatten, to draw the borders between India and Pakistan. Without honesty or truth, the committee proceeded to partition Kashmir, with its Muslim majority, into two regions, one of which was India's, so that it would give access to China.

He said that the people of "Azad Kashmir" fought the Indian army for 15 months. The Indian government felt that it would lose this part of Kashmir, and so the prime minister went to the United Nations seeking intervention to support his country's position. More than 40 states, among them the United States, Canada, and Britain intervened to propose an immediate cease-fire.

He viewed the acceptance of the proposal and cease-fire as an instrument for checking the progress toward liberation of all Kashmir's territories that would have been studied if the fighting had continued two more months.

He explained that at the time it was decided to hold a referendum in which the people of Kashmir would decide to be annexed by India or Pakistan, "and from that time the idea of the referendum has been left hanging. It still has not been held, because India is uncomfortable with the idea."

He said that the struggle with India over Kashmir has continued, at times becoming an armed struggle, and at times a political and diplomatic dispute. The conflict will continue, says the prime minister of Azad Kashmir, "until all Kashmiri territories are liberated, and unified under one flag." The text of the interview follows.

[Alam-al-Din] What is the nature of your relations with Pakistan?

[Khan] We have created the whole structure of an independent state. We have our Council of Deputies, our president, and our government. It enjoys total independence in every facet of life. The Pakistani Government deals only with our foreign policy and our defense affairs. Our country enjoys an illustrious judicial system and excellent commercial activity, in addition to agriculture and industry. These are all factors that constitute a state.

Pakistan offers material support that allows us to secure our vital needs.

[‘Alam-al-Din] Do you play a role in Pakistan’s domestic policy or in its general parliamentary elections?

[Khan] Our people do not participate in Pakistan’s elections, nor in its domestic political affairs, with the exception of nearly one million Kashmiri refugees living in Pakistan. They have the right to take part in its elections.

We pay attention to Pakistan’s foreign and public policy, because our security and foreign policy is linked to them.

[‘Alam-al-Din] Which of the two does your party support: Benazir Bhutto or Nawaz Sharif?

[Khan] My party supports Nawaz Sharif. This is because of ideological and historical reasons.

[‘Alam-al-Din] Is your present visit to Britain official or personal?

[Khan] For my part, I consider my visit to London to be official. I am meeting with members of our community, as well as thinkers, politicians, and journalists. The British Government, which does not recognize the independence of Azad Kashmir as a sovereign state, considers my visit to be personal.

Blames Britain

[‘Alam-al-Din] How does the United Nations view your state? What is the extent of the legality of your existence as a state at the global level?

[Khan] We have excellent relations with the United Nations. It recognizes this territory to be a local territory, governed by a local authority, not as an independent state.

I regret, speaking now on British territory, that a state such as Britain, responsible for what happened to Kashmir and its people, is silent at the violation of the rights of the Kashmiri people by the Indian Government.

[‘Alam-al-Din] Do you give material support and weapons to revolutionaries in Kashmir under Indian control?

[Khan] We support them as much as we are able, but not with weapons. We have no weapons. I do not think it difficult for anyone to obtain weapons if they have the money.

[‘Alam-al-Din] Do you expect your cause to be successful in uniting the two regions of Kashmir?

[Khan] We hope so. We are trying to achieve our goals, by getting the world to act and put pressure on India, and make it respect the resolutions and charters of the United Nations, and hold the popular referendum aimed at giving the people of Kashmir the right to self-determination.

[‘Alam-al-Din] Before she was assassinated, former Indian Prime Minister Indira Gandhi was asked about her position on the issue of Kashmir. She said that Kashmir was inseparable part of India, and that the movement to liberate Kashmir was a completely secessionist movement, like the Sikh and Hindu movements. What do you think?

[Khan] There are many secessionist movements in India, but they all want to rule themselves by themselves within the framework of the Indian state, which is the opposite of our situation. We have been fighting for our independence since 1945. Had it not been for the intervention of the great powers, we would have been able to achieve this goal.

In 1957, the international Security Council rejected India’s idea, or view, that Kashmir was part of India.

There is no historical document affirming our being linked to India. Every document cited by India to support the existence of this link is a forged document, especially if it originates in the era of Jawaharlal Nehru, and the rule of Lord Mountbatten. The Indian Government’s claim that the people of Kashmir are an Indian people is nothing but a big lie. That is, that the people of Kashmir have never proceeded on the basis that they are an Indian people—otherwise, why did the Indian authorities kill more than 150,000 Kashmiris, rape their women, and take their land away? Why would the Indian authorities have worked constantly to encroach upon the heritage, culture, and religion of the people of Kashmir? Why did they prevent journalists from entering Kashmir to see the truth and convey it to international public opinion?

Relations With Islamabad

[‘Alam-al-Din] Since you have built a state with all the actual elements of a state, why has Pakistan not granted you full independence?

[Khan] For many reasons and factors, such as the fact that when the partition occurred, the states chose between joining India or Pakistan; we had no option for independence. And because 14 countries signed an accord, along with India and Pakistan, providing that Kashmir be considered a part of India or Pakistan.

Frankly, in simple terms, I may say that our problem, our cause, today has no place in the plans of the countries of the region or the world, or on their agenda. This is both regrettable and saddening.

[‘Alam-al-Din] Then upon whom do you rely to solve your problem, with the world wrapped up in the Middle East, Bosnia, Somalia, and Russia?

[Khan] Our cause is no less important than the other problems of the world. What is more important than the self-determination of a billion people amidst the feverish nuclear arms race between India and Pakistan?

[Alam-al-Din] Do you think Pakistan is ready to go to war with India to liberate Kashmir?

[Khan] No, not for our sake, but for the sake of the fate of Pakistan itself. Otherwise, why are the Pakistanis arming themselves and building this huge army? Why are they concerned with their nuclear program, if they were not worried about their security and their continued existence? I believe that the Indian danger to Pakistan is great, and very real. Particularly as India has never tolerated Pakistanis or the Muslims of Kashmir, nor even the 130 million Muslims living in India, in the harshest conditions of repression, encirclement, and obstacles to their religious practices and feelings.

[Alam-al-Din] But your cause does appear to be forgotten at the global level?

[Khan] That is true, but you will soon see it come back to the world's attention.

[Alam-al-Din] How? With more violence?

[Khan] No, with more political and military struggle. It will ignite all the contradictions in India, both the poor domestic conditions and the demands of Sikh militants, and other thorny issues that have India sitting on a time bomb ready to explode.

Fundamentalism in Kashmir

[Alam-al-Din] Do you have a fundamentalist or extremist movement in Azad Kashmir?

[Khan] I am a believing Muslim, praise God. I do not think there is any extremist Islam in the way the West imagines it. True Islam is the faith of brotherhood and tolerance, love, justice, and open-mindedness. What is regrettable is that the West sometimes insults Islam with its allegations and accusations. The Indian Government is intent on spreading this distorted image of Islam throughout the world.

Of course, we must not blame Islam for the errors of some Muslims. We must not rise against a whole religion because of a small handful of people, as is the case with extremism. Muslims do not go in for it: while there may be seven fundamentalists deputies in the Pakistani Parliament, there are 117 extremist Hindu deputies in the Indian Parliament.

[Alam-al-Din] What about the parliament of Azad Kashmir?

[Khan] We do not have a single extremist in the parliament of Azad Kashmir. The parliamentary seats are distributed by party. Our party, the Conference Party, has 40 out of 48 deputies. There are deputies of the National Party, the Islamic Conference Party, and other small parties.

[Alam-al-Din] Does your party cooperate with Islamic parties in Pakistan, or abroad, such as Hamas or the Islamic Front, or others?

[Khan] We do not cooperate with any party of that kind outside Pakistan. Some of them, whose leaders are my old friends, have tried to establish a presence in Kashmir, but I refused these attempts.

[Alam-al-Din] How are your relations with the Arab and Islamic countries?

[Khan] Excellent, praise God. For example, I am a member of the Legislative Council of the Muslim World League. I am friendly with brothers I have met from the Arab and Islamic countries. A few weeks ago I received a letter from Prince Sa'ud al-Faysal, the foreign minister of Saudi Arabia, in which he assured me of his country's support for the Kashmiri cause and the understanding of the Kingdom's leaders and people of the Kashmiri people's sufferings.

[Alam-al-Din] As you know, the mediation of the Iranians with the prime minister of India, to solve the Kashmir question, has failed. What is your view?

[Khan] Mediation has indeed failed. That is what I expected when I asked Iran to try and persuade the Indian prime minister to work on solving the problem. This is not suprising.

[Alam-al-Din] How would you describe your relations with Iran?

[Khan] Our relations with them are unofficial. They give us material assistance. My response to the many rumors, that some Arab and Islamic countries give aid and military training to Kashmiri revolutionaries, is that they are false rumors. My comment is that there is no truth in what is being said.

The fact is, all we ask of the Arab and Islamic countries is for them to give us more political support, and to punish India for its Kashmir policy by severing or limiting their commercial ties with India.

Western 'Aggression' Against Muslim States Assailed

BK0710095993 Islamabad THE MUSLIM in English
7 Oct 93 p 6

[Editorial: "Stand up now, for Libya, Bosnia, and all the rest of us"]

[Text] There are so many farces being played out on the international scene right now that it is hard for even the most optimistic of us to avoid that sinking feeling—that there is some grand conspiracy at work behind it all, that all the separate acts of the farce in the various corners of the world are leading up to one finale, the scripted tragic climax, the director's cut.

Libya and its entanglement with the US and Britain over Pan Am 103 is just one symptom of this seemingly terminal virus. Almost five years after the bombing of the US airliner over Lockerbie, Scotland, which killed 270 people, Libya is under increasing pressure from the

western giants to hand over two of its citizens, who are said to be the main suspects in the tragedy. Over a year has gone by since the UN Security Council, now the sole preserve of the US and its European allies, imposed an embargo on the country led by Colonel al-Qadhafi, once described by the west as the most dangerous man for them. Without having revealed any solid evidence to support their case against the two men, or their charges that the men were acting on behalf of the Libyan government's secret service, the west insists that the two be unconditionally given over to them for trial.

Libya has consistently denied involvement, and offered to hand over the suspects for trial in any other country except the US or Britain, saying that they could not be expected to get a fair trial there. Libya has even offered to pay compensation for the victims of the bombing. But in their usual stubborn way, the west only threatens more stringent sanctions, freezing of Libyan assets abroad, and even a possible oil embargo, which would deprive Libya of 90 percent of its foreign earnings. Libya is labeled a "pariah nation," and the UN's member states are forced to toe the line of the Security Council for fear of becoming objects of the west's annoyance. We in Pakistan have tasted that ignominy very recently too.

And yet, is it really stubbornness, or something quite different, something devious beyond belief, which makes the western governments act the way they do? Is it just coincidence that any Muslim country, no matter how nominally Islamic, that seeks to assert its independence from the world's hegemony is subjected to some kind of pressure or outright aggression? Israel and Serbia have defied with impunity countless UN Resolutions, which ostensibly seek to bring relief to millions of suffering Muslims, and yet no western government has thought it a matter of urgency to make them comply with the world's opinion. The emphasis has indeed been quite the opposite—to appease aggressors who perpetrate the most horrific of crimes against Muslims, to justify their acquisition of territory by force, even to look the other way and plead lack of national interest. This crock is repeated again and again.

The response is dramatically contrasted with that which greets the slightest suspicion of activities on the part of countries which do not appreciate the west's dictation. Chinese ships are stopped on the open sea and checked. North Korea is threatened with obliteration, Iran is constantly accused of one thing or another, and the residents of Baghdad never know when the US might next take offence at some milkman moving around suspiciously through the streets, as observed by a satellite, and the next cruise missile comes slamming into their bedrooms. Then there is Bosnia, Kashmir, occupied Palestine, Algiers, Azerbaijan, to name a few—places where the New World Order does not extend its influence. Or perhaps that is exactly what the New World Order wants. Here, the choice given to the brutally subjugated, overwhelmed underdogs is between an "unjust peace" and a "just war," to use the words of Bosnian President Izetbegovic.

To turn back to Libya enough is enough. A man who survived the Nazi rule in Germany once said that he did not take a stand when the Nazis came for communists, for Jews, for gypsies, and others, because he was not one of them. Then the Nazis came for him, and there was no one left to stand up for him. Pakistan should no longer play by the rules of the west, and must stand by those it has more in common with. Libya has made all efforts to comply with UN resolutions, and it is clear that the west is not just interested in bringing two men to trial. At stake is the future of all Muslim peoples, or at least those who still deserve to be included in that category—the people who would rather fight external control over their lives and of those whose cause they have something in common with, than submit to aggression and oppression. Bosnia has made that choice, in the face of possible and probable extinction. We must make our stand too, or forever forsake our independence.

Election Observer Found in Prohibited Area; Probe Started

*BK1510095593 Islamabad THE NEWS in English
15 Oct 93 pp 1, 10*

[Text] Islamabad—According to informed sources probe against one of the delegates of Commonwealth Observers Group has been started. Allegedly Clive Griffith (from Australia) was found suspiciously present in the prohibited area of Dr Abdul Qadir Laboratories of Kahuta.

He was detained by the security guards where Mr Clive told that he came as an election observer. When asked that he should go to the polling stations to see the polling process and that who allowed him to enter this prohibited zone, he showed security pass duly issued by the EC. Per force of security rules, he was expelled from out of bound area, but Mr Clive Griffith lodged a strong protest with the EC. The EC authorities however clarified him the validity of the pass issued by them (EC) and told him that it is not valid for entry into a prohibited zone nor any one whosoever he may be, can issue such a licence. The presence of a foreigner in the vicinity of a very sensitive area to Kahuta is being felt very seriously in the defence organisations.

Regional Affairs

Dialogue With India Over Kashmir Urged

93AS0956D Karachi DAWN in English 15 Jun 93 p 11

[Editorial: "Kashmir: Voices of Sanity"]

[Text] It is encouraging to note that the saner elements in India's intelligentsia have begun to see, and speak out against, the folly of New Delhi's Kashmir policy. Since the people in the occupied territory rose in revolt against the occupation of their land in late 1989, successive Indian governments have resorted to all manner of brutalities and repression to put down the uprising. But

they have failed to bludgeon the Kashmiris into submission. On the contrary, this high-handed approach has resulted in terrible bloodbath in Kashmir in which nearly 20,000 lives have been lost in the last three years. Hence it is not surprising that two writers of eminence in India, namely, Mr Khushwant Singh and Mr Kuldip Nayar, have expressed strong disapproval of India's policy of persecution which is unabashedly aimed at holding Kashmir by force against the will of its people.

There are two dimensions of India's Kashmir policy which are quite disturbing. First, New Delhi's obdurate determination to hold on to the territory, the resistance from the local populace notwithstanding, has led to India resorting to ruthless suppression of the people. As such, its human rights record in the held state is being widely questioned in international circles where India has been taken to task for abusing the political freedoms and the right to life and liberty of the Kashmiris. Secondly, the political futility of the Indian strategy is now more than evident from its failure to put an end to the armed struggle in the territory and pacify the people. In fact, if anything, the brutality of the Indian forces has only intensified the unrest in Kashmir, severely straining Indo-Pakistan relations.

It is, therefore, time for New Delhi to ponder the need for a peace settlement in Kashmir. This is possible only if the Indians enter into a genuine dialogue with the parties involved in the conflict. The irony of the Kashmir crisis is that India does not even have a truly representative spokesman of the Kashmiri people to talk to. Therefore, the half-hearted gestures it has been periodically making towards section of Kashmiri leadership in an ostensible bid to resolve the crisis have proved futile. The recent visit to Srinagar by the Indian Internal Security Minister could achieve no results because his proposal to revitalize the Governor's Advisory Council failed to elicit a response from any key party. In the absence of an agency to speak on behalf of the Kashmiris, it is highly unlikely that a solution to the problem can be found within the framework of the Indian constitution as New Delhi claims it is trying to do.

The only other option is to enter into talks with Pakistan, as suggested by Mr Khushwant Singh. In the wider subcontinental context, India and Pakistan should find it possible to produce a fairly representative body of leadership to speak for all shades of opinion in Kashmir. By negotiating with it, the two governments should be able to devise a modality for the exercise of the right of self-determination for the Kashmiris as promised to them under the UN resolutions. India should realize that it cannot bring peace and stability to Kashmir by entering into a power-sharing arrangement with elements who do not represent the people. Given the international dimension of the conflict, it is time New Delhi entered into a dialogue, a serious and sincere one, with Pakistan and the Kashmiri leadership within and outside the occupied territory.

Paper Blames India for Lack of Progress on Kashmir

BK2909110393 Peshawar *THE FRONTIER POST* in English 29 Sep 93 p 10

[Editorial: "Kashmir at UN: Who is Dithering?"]

[Text] The issue of Kashmir is on the UN General Assembly agenda and President Clinton, in his address to the General Assembly, has mentioned it as one of the trouble spots that, unless resolved, could tile the world into a nuclear war. Quickly, the Indian foreign minister Mr. Dinesh Singh has disapproved of the reference to Kashmir, saying the dispute should not be taken out of the bilateral context and internationalised. His implication was that by internationalising issue, the world would become a dangerous place and the dispute would not be resolved. Of course, the peg on which he hung his argument was the 1972 Simla Agreement.

India has no stand on Kashmir except rejection, because it knows it won't be punished for it. Mr. Dinesh Singh says India and Pakistan should talk bilaterally under the Simla Agreement, but who is refusing to talk under it? Not Pakistan. In fact, one of the reasons the world has started taking notice of the 'bilateral' issue is that India stonewalls any effort to even talk about the issue. There are many anti-Pakistan writers in India who say India should engage in a dialogue, but the governments in New Delhi don't budge. It is ridiculous to tell the world not to talk about Kashmir when it is obvious to all that the uprising in Kashmir could actually unleash a nuclear war in South Asia. The truth of the matter is that the world, including the US which is not very popular in Pakistan for other reasons, has decided that India is either unable or unwilling to discuss a problem that is gradually bleeding it from the inside. Pakistan should take advantage of this international trend by fully collaborating with it, ignoring the xenophobia being spread by its politicians to get votes. Indian leaders are morally and intellectually corrupt and are not willing to grasp the nettle. International pressure can be brought on India, if Pakistan's strategy is non-rejectionist. It would be a tragedy if we rest on the laurels of a single discussion at the UN, and are unable to follow the opening, because our own minds are closed. Pakistan should work along with international community to bring India into a permanent round-table negotiation, like the Paris peace conference, that ended the Vietnam war. Pressure should be constantly built on the two countries by the international community to discuss the various solutions being proposed by experts and agree on one that would meet the self-determination requirements of the people of Kashmir.

Article Accuses Indian Intelligence Service of Terrorism

BK0310042093 Islamabad *THE NEWS* in English 2 Oct 93 p 4

[Sadim Bakhari article: "RAW Behind Terrorist Activities"]

[Text] RAWALPINDI: Infamous Indian intelligence agency. Research and Analysis Wing (RAW) is suspected to be behind recent terrorist activities and incidents of violence in Pakistan. Even the GHQ believes that certain terrorist acts could only be committed by an organised agency like the RAW.

In fact, some of these operations were part of RAW's strategy of prepoll violence in Pakistan to disrupt the electoral process. The Indian agency also tried to fan sectarianism and incidents in Gilgit, Faisalabad and Lahore where "Namazis" were ruthlessly killed in large number.

Yet the RAW failed to achieve its objectives by timely intervention of the army which launched counter operations to disarm rival factions and ensured effective patrolling of the affected areas.

The army is fully aware of infiltration of the RAW agents in Pakistan in large number with their concentration in Sindh's urban as well as some border areas. Certain measures are being taken to launch combing operation to eradicate these agents who are bent upon creating trouble during or after October elections.

Another horrible fact of RAW's activities is that it is now working in close collaboration with Israel and a large number of its men have been imparted training in Mosad's headquarters in Tel Aviv and various training centres in India where skilled Israeli instructors are at work.

Pakistan forms the most important area of RAW's activities and it is here that RAW is fighting a pitched battle through well-orchestrated propaganda machinery and flood of agents deputed for espionage and terrorist activities.

The intensity of RAW's operations in Pakistan and Kashmir has further increased in recent years with the active collaboration of Israeli intelligence agency Mosad.

Special Service Bureau (SSB), a wing of RAW, has reportedly established 36 training camps in Rajasthan, Gujarat, East Punjab and Indian-Occupied Kashmir to train terrorists and subversive elements.

Eight of these camps, according to reliable information, are located in Rajasthan at Ganganagar, Jaipur, Udhampur, Kishangarh, Barmer, Jaisalmer and Chandigarh and remained operational for most part of the current year.

The information said that these trained terrorists either provide direct support to the political extremists or operate in association with dacoits, kidnappers and ransom seekers.

It may be mentioned that during the past three years over 150 terrorist acts were committed by RAW agents killing over at least 300 persons. Some of these acts were directed against sensitive targets like Sui gas pipeline, oil refinery, trains, civilian and military aircraft.

These agents are given required training to aim at vulnerable targets which could help fan sectarian hatred. Therefore, attacks on mosques while prayers were being offered were carried out resulting in loss of precious human lives.

It may be recalled that RAW sponsored terrorist activities peaked during 1986-1990 when it, with the collaboration of KGB of former Soviet Union and Khad of Naibullah-led Afghanistan waged a relentless proxy and bloody war against Pakistan.

During this period of four years, about 1,000 persons were killed in over 1,600 bomb explosions while over 4,000 were injured.

On the other hand, RAW has made heavy investment in fomenting secessionist feelings in all provinces of the country with particular emphasis on Sindh. In the Frontier RAW has intimate contacts with the proponents of Pakhtunistan. RAW agents have established contacts with these leader and provided them with huge funds.

In Punjab, RAW is gradually infiltrating into the ranks and files of Seraiki Movement. An international conference of Seraiki scholars and artists had been planned in New Delhi to pollute minds of people.

Similarly, RAW's contacts with some factions of the Mohajir Qami Movement have been proved under which militants of this organisation were provided training on Indian soil. RAW is trying to incite Sindhi population to take up arms and fight for a separate homeland through a well-coordinated propaganda machinery, using print and electronic media and by holding seminars, conferences and spreading subversive literature.

Paper Views India's Offer To Hold 'Stability' Dialogue

BK0310101493 Islamabad THE PAKISTAN OBSERVER in English 3 Oct 93 p 6

[Editorial: "Rattling the Olive Branch"]

[Text] According to a press report, India has offered to hold dialogue with Pakistan 'to promote a climate of stability in the region'. This was stated by the Indian Foreign Minister in his address to the General Assembly. "Wisdom lies in overcoming conflicts with positive vision animated by peace and amity and in creating necessary confidence and the will to peace among countries and people", he added. These are fine words, but the first thing the world is going to tell New Delhi is to match its words with its deeds. While the distinguished member of the Indian government was delivering this sermon dripping with piety and sentiments of peace, hundreds of people were demonstrating outside the UN headquarters in support of the freedom movement in Kashmir. The occurrence of these two events at the same time is an eloquent commentary on the gap between

what India says and does. By making this spurious offer, Mr Singh has insulted the intelligence of the people of entire world.

We in Pakistan are not at all impressed by these public posturings, because they are part of an all-too-familiar rhetoric coined by New Delhi to make propaganda gains. Indians are quite good at making offers which the other side cannot accept, so that they could portray themselves as the party of peace and their antagonists as warmongers. However, it is in order at this point to examine the motives behind this apparent gesture of goodwill. In spite of using all the weapons in its diplomatic and political armoury, India has not been able to stop Kashmir issue from being internationalised. The greatest blow to its efforts in this field came when US President Bill Clinton made an open reference to Kashmir as a scene of conflict which needed resolution like other conflicts such as Bosnia, Angola and Cambodia. No one should be led to believe that Mr Clinton was prompted either by altruism or by love for Pakistan—it was an act of hard realism, which was forced on him by the facts of life. Indians must have realised by now that winds of change are blowing across the globe, and its attempts to convince the world that Kashmir is an internal issue have met with dismal failure. All the Western powers now consider this part of the world as a disputed territory. It has now almost assumed the same high profile as Palestine and there is a feeling of urgency in the capitals of the world that unless an amicable settlement is found, Kashmir will explode and engulf the entire region in flames of war.

It is a radically altered political climate of the world which has compelled India to adopt a conciliatory stance in public and show greater inflexibility in face-to-face talks and bilateral conference. Their standard policy at these moots is to take refuge behind technical and legalistic arguments to buy more time. But it is exactly time which is running out for India. We may also point out that the heightened attention of the world on this issue is not the result of Islamabad's diplomacy. Full marks to the freedom fighters whose blood and sacrifices have shaken the entire globe. Harrowing tales of sufferings, tortures, lootings, burnings, have penetrated thick wall of complacency, and now every Human Rights organisation worth its name has Kashmir issue high on its agenda.

Editorial Condemns Indian Policy at Hazratbal

*BK1910120393 Islamabad THE MUSLIM in English
19 Oct 93 p 6*

[Editorial: "Leave Hazratbal. Leave Kashmir"]

[Text] 10,000 troops is a large army. By some accounts, the people they are besieging at Hazratbal are mostly pilgrims, with probably no more than twenty or so freedom fighters among them. Indian authorities have expressed their willingness, if necessary, to starve out the holed up Mojahideen along with the scores of pilgrims

trapped inside. Kashmir's holiest shrine is now its holiest battleground, a modern day "Karbala."

India says that to let one "secessionist" movement succeed would be to open the door to India's complete breakup. We still remember how the government of Indira Gandhi dealt with its own creation, the Bhindranwale led Sikh uprising in Punjab. Troops stormed the holiest Sikh shrine, the Golden Temple in Amritsar, and the blood-bath that ensued went on to engulf India in a cycle of the most horrific violence. Indira Gandhi's subsequent assassination by her own bodyguards was but one symptom. But Kashmir is not East Punjab. Kashmiris have never accepted Indian control of their lives, and now they want out no matter what the costs to their own lives. With the Kashmiri Intifada facing an even more brutal suppression than that inflicted by the Israelis on the Palestinians, the only thing that is clear is that India has lost any moral authority it may have had in the eyes of the Kashmiris. It never had legal authority, thus now it needs to keep half a million troops in the Himalayan state to maintain the status quo—a bloody war of attrition.

With the latest act of brutality targetted at the most sacred of Muslim sites in the Held Valley, India has exposed its ugliest and most hypocritical self. One only need to remember how the Indian government acted when hundreds of thousands of Hindu fanatics stormed the Babri Mosque and razed it to the ground. Where was the army then? And where was the Indian army when hundreds of Muslims were butchered, by well organised mobs of Hindu extremists in cities all over the country, when they protested the desecration in Ayodhya? For the real religious fanatics, with only bigotry as their driving force, India uses the feeblest of slaps on the wrist. For Kashmiri men, women and children fighting against oppression and brutality, yearning for freedom and the right to self-determination, India brings out the big guns and fires them with utmost ruthlessness of purpose.

There is no shame, only more violence and white lies. Having barred all foreign media from the site of its latest criminal assault, India has the gall to accuse Pakistan of involvement in the events at Hazratbal. New Delhi reacts to Pakistan's justified condemnation of the assault on the shrine, with the contention that the Pakistani government's statement is indicative of its involvement in the "plot" to "rake up communal and fundamentalist passions". No India, we don't know how to accomplish such things, though the Advanis of your country do. As far as Kashmir is concerned, Pakistan needs to do nothing, since statements of the GOP rarely "rake up passions" even in our own country. The Indian bullets that pierce the bodies of children in Srinagar, the brutal torture that gouges the eyes of young Kashmiri men in Baramula prisons, the rape that takes away everything from innocent Kashmiri girls in Badgam—such are the things that fan passions.

If there is blood spilt at Hazratbal, if the shrine is damaged anymore than it already has been, and if India

does not lift the siege, New Delhi will soon see passion redefined in Kashmir. India must realise that the Valley is not under its control anymore, and never again will be. She can still leave with some degree of dignity, at least without taking more innocent lives.

Internal Affairs

Daily Urges Continuation of Nuclear Program

BK2709160193 Rawalpindi NAWA-I-WAQT in Urdu
26 Sep 93 p 10

[Editorial: "Nuclear Program of National Interest—Who Froze It, When, and Why?"]

[Text] The caretaker prime minister has disclosed in an interview that "we have already capped our nuclear program; we are not making any nuclear weapons; and that we have frozen our nuclear program at the point where it was before." The United States has been pressuring Pakistan for the past several years to freeze its nuclear program. Former U.S. ambassadors based in Islamabad, especially Robert Oakley, had repeatedly warned that Pakistan had crossed the warning boundary in this field. When Pakistan did not knuckle under to U.S. threats and pressure in any way, Washington stopped economic and military aid to Islamabad under the Pressler Amendment and even halted the delivery of F-16 fighter aircraft in spite of the payments already made for them; and to add insult to injury, it has also started to deduct demurrage [preceding word in English] for these planes from Pakistan's accounts.

The fact is that Pakistan's nuclear program was launched solely as a reaction to India's. When India proved its strength by conducting a nuclear explosion in 1974, it posed a serious threat to Pakistan's security, because India had already carried out aggressive actions against Pakistan in 1948, 1965, and 1971 and had succeeded in dismembering the country. Even in the field of conventional arms and forces, Pakistan is five times weaker than India. On the other hand, India has not tolerated and accepted Pakistan's existence from the very first day and has been nursing an evil desire to establish a Rama Hindu empire and considers Pakistan as a major stumbling block in the way of the fulfillment of its desire. India is also trying to establish its hegemony in the region as a minisuperpower. In view of the above, the grave threats of Indian aggression against Pakistan are not hidden from anyone. Pakistan, therefore, launched its modest nuclear program only with a view to keep India from committing any aggression. Pakistan's nuclear program has served as a deterrent in the Indian subcontinent and has helped in maintaining regional peace since 1971.

Now, if Pakistan freezes or rolls back its nuclear program under U.S. pressure, it can prove to be a sitting duck for India at any moment. Not only this, India on the strength of its blind force will also gulp down smaller countries in its neighborhood.

On the other hand, Pakistan needs to continue its nuclear program for peaceful purposes. The use of nuclear technology in the fields of industries, agriculture, and public health has enabled the world to step into the era of advancement. Humankind has started treating serious diseases with nuclear medicine. In the industrial field, nuclear energy is the only solution to energy crisis, and in the agricultural field, too, plant protection and research on improved seeds have been possible only by virtue of the nuclear technology. Everyone is aware of the shortage of electricity in Pakistan. The energy crisis has led to power blackouts and is causing a loss of 80 billion rupees annually in the fields of agriculture, health, trade, and urban life.

In view of these legitimate and real needs, it is absolutely not possible to freeze or roll back Pakistan's nuclear program. Former Prime Minister Nawaz Sharif, in his speech at a rally in Gwadar the other day, has categorically stated that there can be no compromise on the nuclear program and that they will foil any trick to roll back the program. In his 18 July speech over radio before relinquishing office, Nawaz Sharif had also expressed his resolve to make Pakistan strong in the nuclear field. It is regrettable that a caretaker government, which is only responsible for holding elections and transferring power to an elected government under a constitutional mandate, has started to make major decisions affecting the fate of the country and the nation. May the statement attributed to the caretaker prime minister be untrue—which is less expected, because it was his personal interview and even after the lapse of two days, he has not refuted it—and may Pakistan's nuclear program, which has assumed the status of a national program since the 1970's, still be safe and continue to be the source of Pakistan's strength in the future as well!

Pakistan does not need to buckle under to international pressure on the nuclear program as long as India and Israel in the neighboring region are equipped with nuclear weapons. These two countries have been making progress in the nuclear field, defying international rules and regulations, and according to the latest report, India has so much enriched uranium in its stock that it can assemble 60 atomic bombs, and it is also engaged in giving practical shape to its research on the delivery system.

What is needed is not to agree on any bargaining on Pakistan's nuclear program nor let it be compromised, and if any person or government or organization wants to freeze or roll back this program or has already done so, they should be brought before the nation and asked to account for their action. Normally, a caretaker government has no right to make any decision on national issues and on the country's security, defense, safety and development; and a caretaker government—which is famed to have been imposed by the United States—should not at all be allowed to agree on any bargaining on the country's nuclear program. All the political parties—big or small—of the country, which are currently engaged in electioneering, should speak out in one voice

on this sensitive and delicate national issue, declaring that the nuclear program is a national necessity, and it should be continued.

Paper Lauds Clarification of Nuclear Program Statement

*BK2909120193 Islamabad THE MUSLIM in English
29 Sep 93 p 6*

[Editorial: "Welcome Clarification"]

[Text] The clarification from the Prime Minister's Secretariat on the nuclear programme was timely and most welcome. Especially so because the spokesman reiterated Pakistan's firm stand on the issue and declared as absolutely incorrect the impression that Pakistan has stopped its nuclear programme. The impression was created by the publication of caretaker Prime Minister's interview to three Islamabad based journalists. That there was good reason to get a wrong impression from what was published as quotes from Mr. Moin Qureshi is evident from the fact that the next day the question was raised in Washington at the U.S. State Department's daily briefing. The State Department spokesman was specifically asked to comment on Pakistan's announcement that it has "capped" its nuclear programme. This only shows the sensitivity of the subject and a need to be very careful when offering comment on the matter. The promptness with which the PIA [Pakistan International Airlines] Secretariat issued a clarification coupled with a simultaneous statement by Pakistan's Foreign Office should be enough to dispel any doubts about our nuclear programme. The unambiguous statements emphasise that Pakistan's consistent policy on nuclear issue will remain unchanged and that we will not foreclose the nuclear option as long as India retained its nuclear weapons capability. We hope that Pakistan's principled stand will be appreciated by all powers interested in nuclear non-proliferation and a regional approach to achieve the objective would be pursued vigorously. Pakistan would be too happy to cooperate in promoting a regional solution to the nuclear issue.

Reconciliation Between Bhutto, Sharif Urged

*93AS0934I Lahore THE NATION in English 5 Jun 93
p 6*

[Editorial: "Politicians on Trial"]

[Text] Pakistani politicians are today on trial. They can make or unmake the system. Some quislings will always be there and quite a few more willing to be drafted as mercenaries, but the mainstream politicians have an obligation to history. If they can rise to the occasion, they have a chance to redeem their image and clear themselves of the stigma that they have been willing accomplices in wrecking the democratic system. Soldiers of fortune have played havoc with the nation's destiny, destroying whatever institution building was possible in the brief interludes of democratic dispensation, and

vulgarizing the concept of contention for power. So overriding has been the sway of the phenomenon of seeking power through the back door that open competitive politics has had little chance to flourish. And the politicians, vulnerable as they have been to the temptation of seeking short cuts to success, have time and again squandered away historic opportunities to set the country's politics on the right track. In the backdrop of the bizarre political scenario, the like of which the country has not seen before, a unique chance has arisen for the politicians to rid themselves of the bondage of the 'invisible hands' that have hitherto been pulling their strings to sustain the system of power through remote control.

The issue on hand is not merely cutting the President down to size, so that he cannot arbitrarily intervene to jeopardize the smooth functioning of parliamentary democracy, but also to secure consensus among serious contenders for power that they would not let themselves be used as a tool for undermining the credibility of the democratic institutions. The repeal of Eighth Amendment has been a classic instance of how the politicians have been shifting their stances to suit the exigencies of expedient politics. No democratic cause, however sacrosanct, would ever be acknowledged as genuine as long as its upholders are deemed to be selective, like Nawaz Sharif and Benazir Bhutto have been in their attitude towards the Eighth Amendment. While fighting the anti-democratic forces and frustrating their attempts to hold parliamentary democracy to ransom is a challenge to be reckoned with by all politicians who have a modicum of commitment to democratic politics. The party in power must come around to accepting the reality that it cannot equate itself with the 'state of Pakistan', and, thus it does not have the right to condemn its political opponents as 'subversive', 'anti-national' or 'enemies of the State'. The opposition, on the other hand, must learn to honor the popular verdict and have the patience to wait for its turn, rather than trying to destabilize the system in a bid to get even for an electoral defeat. Prime Minister Nawaz Sharif's peace overtures to the opposition, promptly reciprocated by Ms Benazir Bhutto, have given a new ray of hope for a meaningful dialogue to set mutually agreed rules of the game. If the government and the opposition can live up to the promise of negotiating a package to deal for grand national reconciliation, there would be little chance for the quislings to play their dirty game. It is time to shed the legacy of authorization days, and introduce a style of functioning that bears some resemblance to democratic norms. Hopefully, we are not destined to live with shameful incidents of political victimization like the raiding of the house of Gul Hamid Rok'i, MNA for the Punjab Police on Eidul Azha.

Sharif Said Continuing To Detest Opposition

*93AS0934K Lahore THE NATION in English 8 Jun 93
p 5*

[Article by Aziz-Ud-Din-Ahmad: "Conditions for the Rapprochement"]

[Text] Lack of trust is the biggest stumbling block in the way of understanding between Nawaz Sharif and the Opposition parties, particularly the PPP [Pakistan People's Party] and this is not without reason. Nawaz Sharif has in the past taken an unduly hostile stance against his political rivals, has connived at attempts to uproot the PPP, has gone out of the way to persecute its members and has consistently rejected moves at reconciliation.

In spite of the fact that Benazir has welcomed the present initiative taken by Nawaz Sharif, there is a general impression that the Prime Minister's camp only wants to buy time till December when it will get a President of its own choice elected and then will boot out the PPP.

It is being opined that Nawaz Sharif has started courting the PPP in order to get out of the present mess in which he finds himself, with the President bent on continuing his offensive even after the Supreme Court judgment. Two Provincial Assemblies have been dismissed as a result of the machinations of the President and the other two might eventually share the same fate. The President is trying to prove that the provinces cannot continue normal relations with the Center, which by indulging in horse-trading tries to topple the provincial governments, forcing the Chief Ministers to advise the Governors to disband the Assemblies as has already happened in Punjab and NWFP [North-West Frontier Province]. Nawaz Sharif is keen to seek the support of the Opposition parties in the National Assembly in order to threaten the President with impeachment so that the latter is probably contained and his initiative restricted.

Whether Nawaz Sharif succeeds in this or not, his worries *vis-a-vis* Ghulam Ishaq Khan are going to end by December when a new President assumes office. If Nawaz Sharif succeeds in prolonging his stay till then, he can in all probability get a President of his own choice elected as Ghulam Ishaq Khan will find it almost impossible to be re-elected. But all this depends on whether Nawaz Sharif remains in office till then. He is afraid of the intrigues the President and his clique of bureaucrats are capable of, and that explains his keenness to lure the Opposition.

If there is really any change of heart in Nawaz Sharif regarding the Opposition, he has yet to furnish some proof of that. Wisdom comes out of suffering, it has been said. But thirty-seven days in relatively comfortable opposition are hardly sufficient to bring about any significant change in a politician's outlook.

It would be really good for the country if the Opposition and the ruling party join together to foil the intrigues of the "non-political forces", or the section of establishment represented by the President. But as things stand it would be expecting too much from an Opposition harassed for over two years to jump at the olive branch offered by the Prime Minister. If cooperation is to be sought from it, Nawaz Sharif will have to accommodate the genuine demands of the Opposition.

The foremost among these demands is going to be the announcement of the date for fresh elections. The PPP has never regarded the present Assemblies as genuinely elected and has accepted the *fait accompli* only under duress. So much has happened during the last couple of months that it would be asking too much to continue to extend recognition to these Assemblies. A more realistic option would be to call for a fresh mandate through mid-term elections. Will Nawaz Sharif agree to give a call for fresh polls? In case he is keen to get cooperation from the Opposition, he will have to accommodate this important demand.

The elections must not be a replay of the 1990 polls which the Opposition thinks were rigged. For this certain conditions have to be fulfilled.

The foremost condition is the appointment of a new Election Commission jointly agreed upon by the government and the major Opposition parties. This is necessary because there is a consensus among the Opposition parties that the present Chairman of the Election Commission failed to control the election malpractices in 1990.

The present Provincial Assemblies must go because government MPAs [Member of Provincial Assembly] are in a position to use government machinery in their favor to the detriment of those contesting on an Opposition ticket. There must be caretaker governments in all the four provinces to oversee the elections. As things stand in Pakistan, it might not be realistic to demand that the caretaker ministers do not themselves contest elections. In the caretaker cabinets, however, equal representation should be given to the Opposition. The same principle should be followed at the Center.

It will be necessary to disband Local Bodies at different levels. They wield enormous economic resources and can influence election results in favor of those they like. It is from here that the rot really starts. Fake voters are registered at the instance of Councillors at various levels. A number of sitting Councillors supporting an MPA or an MNA [Member of National Assembly] can tilt the balance in his favor. As long as the Local Bodies Councillors continue to be in office, it is difficult to think of holding fair and free elections. At present the government commands support of the vast majority of these Councillors. This is particularly the case in the Punjab. This is an advantage Mian Nawaz Sharif would be loath to forgo but it would be equally necessary for the Opposition to neutralize the undue edge the ruling party has. It just cannot allow the government to play against it with loaded dice.

These are some of the demands the Opposition would like to put up as a *quid pro quo* for the support Nawaz Sharif demands from it. At the present juncture of our history far-sighted statesmanship rather than narrow minded partisanship is what is really required. The PML

[Pakistan Muslim League] must rise above selfish considerations and accommodate the Opposition demands in order to strengthen democracy in Pakistan.

Democracy Seen Threatened by Political Instability

93AS0955H Lahore THE NATION in English
15 Jun 93 p 7

[Article by Aziz-Ud-Din Ahmad: "Democracy Skating on Thin Ice"]

[Text] As civil war within the establishment continues to rage and intensify, the possibility of a martial law in Pakistan begins to loom large on the horizon for the first time after the death of General Ziaul Haq. If military rule was to come once again in Pakistan, it would furnish a sad commentary on the level of the maturity of political parties in the country.

As things stand today, there is little reason to hope that the tussle between the President and the Prime Minister is going to slack off, let alone end. The President has continued his offensive even after the Supreme Court judgment setting aside his dismissal of the National Assembly and the Nawaz Sharif Cabinet. Speaking before a meeting of the newspaper editors, a few weeks back he recited a Persian verse, which paraphrased in plain language means, "I have a thousand tricks up my sleeve even now, so don't be misled into thinking that I have been knocked out." The President comes from a culture where no quarter is shown to a man once he has been declared an enemy. "Never breathe a sigh of relief until you have crushed the head of the snake," goes a saying in Pashtu.

The Prime Minister's camp has desisted from a campaign for the impeachment of the President only under pressure from the powers that be. But the verbal offensive against him is kept up by the Prime Minister. If he could manage to get the support from the Opposition, he would even now like to get rid of the President.

With these two pillars of the state locked in a life and death struggle against each other, the establishment is degenerating into a Hobbesian state of Nature, wherein virtually every organ is up against the other. Things seem to be falling apart as the Center cannot hold. The President dismisses the National Assembly. The Supreme Court revives it. A Governor dissolves a provincial assembly, the concerned High Court restores it. The police wants to make search for the recovery of a government officer who has been kidnapped, the Rangers standing guard at the suspected place foil the police attempt. There is grouping within secret agencies, with one side removing officials appointed by the other. Secret agencies fight against each other to serve the rival sections of the establishment. The Federal government is at loggerhead with the provinces. The in-fighting between the PML [Pakistan Muslim League] is reflected

in no-confidence moves against the provincial governments of its own, and on the other side in recommendations for the dismissal of the Assemblies. Unless urgent steps are taken to arrest the situation from degenerating any further, there is an imminent possibility of an army take-over sooner than anybody might expect.

The solution offered by Nawaz Sharif to clear the present mess is unrealistic and won't work. It consists of a one-point call to the Opposition to join the government in its efforts to dismantle the Eighth Amendment. The relations between the Opposition and the government being marked at present by total mistrust and mutual suspicion, there is little possibility the Opposition would like to hand over presidential powers to the Prime Minister, which would be perceived by them as signing their own death warrants. One could rail at the Opposition for not taking a "principled stand" on the question of the abrogation of the Eighth Amendment but that won't solve the problem. The Opposition could blame Mian Nawaz Sharif of opportunism with equal justification, for didn't he support the Eighth Amendment when it had suited him. Right after he came to power was the proper time to have joined together with the Opposition to get the Amendment abrogated. But then he had decided to side with Ghulam Ishaq Khan, had earlier pleaded with him to dismiss the PPP [Pakistan People's Party] government by using his powers under the Amendment. Nawaz Sharif even tried to withdraw his opposition to the Amendment as late as a little before his recent dismissal in return for the President's support.

Mutual incrimination, therefore, won't do. Realistically speaking, Mian Nawaz Sharif has missed the bus and he cannot hope to get the Opposition's support on the Eighth Amendment as things stand at present. The Opposition might ostensibly agree to talks but its agenda consists of an item that Mian Nawaz Sharif shuns to discuss, i.e., announcement of a date for the mid-term elections as well as arrangements for holding them in the way the Opposition likes.

In the present situation when the contradictions between the President and the Prime Minister have reached the point of irreconcilability, with the former ready to go to the extreme in creating conditions wherein martial law would look like the only way out, it is the responsibility of the government, more than that of anybody else, to look beyond its narrow party interests in order to save the democratic system from collapse.

The national consensus today demands a new appeal to the electorate for a fresh mandate. Let the government rise to the occasion and agree to discuss the details of mid-term polls with the Opposition in order to save the democratic order. [passage omitted]

An army junta could offload fundamentalism without much opposition as the Pakistan Army has been a liberal institution prior to take-over by Ziaul Haq, with an Anglophile body of officers with a contemporary way of life. In spite of the ideological brainwashing that it was

subjected to during the Zia era, liberal tradition is far from having being completely uprooted in the Army.

In case the US succeeds in convincing the Indians to sign the NPT [Nonproliferation Treaty], it would not be difficult to persuade a military regime in Pakistan to follow suit. This could be the first step towards putting an end to the military use of nuclear technology on both sides. There have been vocal elements in the Pakistan Army who have regarded the nuclear option as unrealistic and have taken public stand on this.

That a military regime could agree to tackle the question of terrorism is evident from the changes brought about recently in the ISI [Inter Services Intelligence] which indicate the Army is already keen to allay the fears in the mind of the West regarding this sensitive issue. Actually both terrorism and narcotics trade are a legacy of the Zia regime, a by-product of our involvement in the Afghan war that has by and large ended now.

If a military junta agrees to do all this, which the present civil regime in Pakistan is reluctant about, or is incapable of doing, the main hurdle in the way of military take-over in Pakistan would go. The West might look the other way while the Army replaces a civil government here. We will all condemn it, and many of us would do whatever we could to resist it, but the fledgling democracy in Pakistan would receive a jolt from which it would take a long time to recover. The moral: The political parties must reach an understanding without wasting anymore time, those in power agreeing to the basic demand of the Opposition, holding of fair and free mid-term elections.

JI Seen Using Islamic Front To Make Electoral Breakthrough

93AS0946C Karachi HERALD in English 15 Jun 93
pp 59-61

[Article by Idrees Bakhtiar: "Leading From the Front"]

[Text] After much lobbying, persuasion and confidence building within the party, Qazi Hussain and his allies in the Jamaat-i-Islami [JI] have finally succeeded in forming a separate body which will now carry on the Jamaat's political activities under the banner of the Pakistan Islamic Front [PIF]. The PIF was formally launched in Lahore on May 24, and participating in the soon to be aborted July 14 elections was said to be its top priority.

The emergence of the Front marks a break with the Jamaat's traditional posture. By opening up the new body's membership to a wider cross-section of the population, the Jamaat's present leadership is making a bid to achieve an electoral breakthrough that has so far proved elusive.

The creation of the PIF comes after a bitter, if discreet, behind the scenes tussle to conquer the soul of the party. The Jamaat leadership had long been advocating less

stringent conditions for admission to the party. The party's old guard, however, stood its ground, citing the example set by the Jamaat's founder, Maulana Abul A'ala Maudoodi, who had made it clear that the party's rules embody the minimum that Islam requires of a Muslim and as such could not be amended to meet the exigencies of time. Interestingly, it is primarily because of this closed door policy that despite being around for more than 50 years, the Jamaat can still boast only a few thousand full members.

Given this lingering resistance to change, the present leadership headed by party Amir Qazi Hussain Ahmed subsequently floated the idea of a political front, a roundabout way of opening the Jamaat's doors to the public without breaking or amending any rules. But the leadership's actual plan, critics within the party say, is to eventually change the strategy, and the targets, of the Jamaat.

From the day it was founded to the very recent past, the Jamaat's singular stated aim has been to strive for the creation of a truly Islamic country. It sought to bring about this change by cleansing society and by preparing and mobilizing the people to usher in an Islamic era. This goal, the present leadership feels, has so far failed to materialize because the party's strict admission policies have distanced it from the public at large.

To make the Jamaat-i-Islami more accessible, Qazi Hussain Ahmed first launched a youth organization, Pasban, and became its chief patron. In its initial phase, Pasban was more or less disowned by the Jamaat leadership, which went to great lengths to dispel the impression that it had anything to do with the newly created organization. This in spite of the fact that Pasban was set up with the approval of the Jamaat's highest decision making body, the shoora.

Pasban is open to all, even to members of other political parties, and has been successful in attracting a number of young men to its fold. The Jamaat no longer denies its links with Pasban, even though the latter came under severe criticism from the hard core of the old guard in the wake of some recent functions which featured music, bhangra and other forms of merriment. The Jamaat has since restrained Pasban from playing music, calling its functions "shows" and hosting mixed gatherings like the recent Imran Show in Karachi.

Qazi Hussain Ahmed, supported by Jamaat stalwarts like Professor Khursheed Ahmed, Secretary General Seyed Munawar Hassan and Khurram Jah Murad, subsequently came up with the idea of forming a political front, controlled and guided by Jamaat leaders but with no restrictions on membership. This is how the Pakistan Islamic Front came into being, in the sizzling heat of Lahore. Although no prominent political figures attended the Qaumi Convention, people from various walks of life took an active part in the deliberations. They included, according to the declaration issued after

the convention, "businessmen, industrialists, intellectuals, trade unionists, social workers, ulema, political leaders and peasants.

It appeared from the general mood of the gathering that the idea of a political front went down well with those present. Some 15 retired army officers (including a few generals), retired civil servants and several businessmen publicly joined the PIF on the occasion. However, some of the speakers, though they welcomed the idea of the Front and praised it in their speeches, were apparently still unwilling to sign on the dotted line. For instance, Pir Saeed Jan Sarhandi, whose name was listed in the 52-member organizing committee, did not waste any time in getting a contradiction published in the Jamaat mouthpiece *Jasarat*.

On the face of it, the Pakistan Islamic Front represents the transformation of the Jamaat into an entity unlike any other political party in the country. For his part, Qazi Hussain Ahmed believes that forming the Front was the only way available to the Jamaat to bring about the desired changes in Pakistani society. "The name Jamaat is not the target," he told the HERALD ensconced in a cozy room at Darul Ziafa, a guest house of Mansoor, the sprawling Lahore headquarters of the Jamaat-i-Islami. "We are interested only in the party's objectives." He argues that the aim was to mobilize all those people who have influence in society and can win an election. Since the Jamaat nominates candidates on the basis of loyalty, services and period of association with the party, it was simply impossible to award tickets to outsiders. The other problem was that new entrants could not be nominated either because the older workers had higher priority. This policy, Qazi Hussain and his associates believe, has hampered the Jamaat's success at the polls.

"Now everyone will be awarded the same status that he enjoys in society," the Amir recently told a public gathering in Karachi. "This type of lateral entry is not possible in the Jamaat," he says. The Front, according to its declaration, will include and organize all the scattered "patriotic and sincere persons who, ignoring personal and group interests, will strive to extricate the country out of the present crisis."

After 1970, the Jamaat-i-Islami has been contesting elections through alliances and fronts such as the PNA and IJI [Islami Jamhoori Ittehad]. It did go to the polls on its own in 1985, but that was a non-party election. The Jamaat has now decided, its leaders say, to contest elections by itself because the alliances it joined in the past did not serve the party's long-term objectives. Qazi Hussain Ahmed is particularly disillusioned with the IJI. Nawaz Sharif, he says, did not fulfill his earlier promises and completely ignored the IJI manifesto after coming into power.

The Pakistan Islamic Front is different from the alliances of old in the sense that no political party will be allowed to become a partner. "Only those individuals

who subscribe to the idea of the Front can join," says the Amir. The stated aims and objectives of the Front are almost identical to those of the Jamaat. The overall structure, however, is completely different.

How the Front will go about achieving these objectives without an experienced and disciplined team is a question that is being asked with increasing frequency in Jamaat circles. Some members of the old guard are still averse to the thought of opening the Jamaat's doors to people who do not meet the basic requirements laid down in the party's constitution—that a member must be an honest man who adheres to the tenets of the Quran and avoids *kaba'ir*, the great sins. "How can a person who does not meet these conditions be expected to work towards establishing an Islamic society in the country?" asks a senior leader of the Jamaat.

Qazi Hussain Ahmed and his allies in the Jamaat are convinced, however, that the party cannot implement its manifesto without coming into power. Nor, as Qazi Hussain says, can you save the country from going to the dogs without having a say in its affairs. The Amir of the Jamaat, who was recently elected for a second term and is also president of the Pakistan Islamic Front, paints a gloomy picture of the country as it stands today. "There is an international conspiracy to make Pakistan dependent on India," he told the HERALD. "Pakistan is facing very serious dangers to its integrity. They want to paralyze Pakistan so that it can no longer support the Kashmiri resistance."

The Jamaat Amir believes that the leaders of the country, including President Ghulam Ishaq Khan, Nawaz Sharif and Benazir Bhutto, are incapable of steering the country out of the present crisis situation. And it is not only the alleged incompetence of these leaders that horrifies Qazi Hussain. "We think that they are out to sell the country," he says, adding that the experience of the East India Company is being re-enacted in Pakistan. "None of today's leaders are addressing these issues because all of them want to appease the Americans," he adds.

Qazi Hussain Ahmed believes, however, that there are in fact some people in the country who are genuinely concerned. "But all of them may not wish to join the Jamaat," he says. "This is why we are forming the Front." The PIF is not the so-called third force, he makes it clear. It is the alternative force, he says, because all other forces in the country are slaves to the United States.

From the looks of the PIF organizing committee, it appears that Qazi Hussain Ahmed launched the Front in haste after the dissolution of the National Assembly and the subsequent announcement that elections would be held on July 14. The required homework, it seems, has not been done. There is for example, no blueprint for the Front's future relationship with the Jamaat.

There are also a number of other important questions that remain unaddressed. What part will the Jamaat

itself play? Has its political role come to an end? These and many other related questions are increasingly being asked by worried Jamaat supporters.

In response, the leadership argues that the Jamaat will be part of the Front, and it will contest elections through the Front. But how the Jamaat will control the loosely knit Front is still up in the air, as is the question of how it will prevent the emergence of factions and rival groups, as in the case in almost every other political party.

"The collective atmosphere would be such that there will be no groupings," says Qazi Hussain Ahmed hopefully. Others, however, still have their doubts. When you have people under one roof with different opinions and divergent interests, they say, the theoretical "collective atmosphere" alone will not be enough to maintain harmony.

Despite stiff opposition from within the party, Qazi Hussain Ahmed has embarked on a new journey, deviating from the 50-year-old traditions of the staunchly conservative Jamaat-i-Islami. The Jamaat chief is now being accused in certain party circles of disregarding Maulana Maudoodi's oft-repeated warning that there are no short cuts to real revolution. The Jamaat's founder had also warned that the process of true change is painstakingly slow, adding that those who are not satisfied with this approach should leave the Jamaat. Such people have the right to work independently as they feel fit, Maudoodi had said, but they cannot be given the right to change the course of the Jamaat.

Qazi Hussain Ahmed has changed that course. He clearly hopes to achieve results in the short term rather than wait for years in the political wilderness. Whether he will succeed in his mission, only the passage of time will tell. The old guard of the Jamaat, meanwhile, doubts this will ever happen, and are currently making dire predictions that the Front will end up as nothing more than another Muslim League.

ISI Blamed for 'Ruining' Nation's Foreign Policy

93AS0946B Karachi HERALD in English 15 Jun 93
pp 56-58

[Article by Ahmed Rashid: "Coming in From the Cold"]

[Text] There is a fear that Sharif's triumphant comeback could also signal the return of the two former intelligence chiefs, who were earlier singled out as being largely responsible for having the terrorist label stuck on Pakistan.

The restoration of the Nawaz Sharif government has caused considerable unease amongst Pakistan's foreign policy establishment and the international community. The primary fear is that Sharif's triumphant comeback could also signal the return of the lately retired Inter Services Intelligence [ISI] Chief Lt Gen Javed Nasir and Intelligence Bureau supremo Brigadier Imtiaz, the two men who were earlier singled out as being largely responsible for having the terrorist label stuck on Pakistan.

In an unprecedented public comment, John Mallot, the senior US diplomat who was visiting Pakistan in May, said that the dismissal of the two intelligence chiefs had been a significant move and the US was waiting to see whether it would have any impact on the ground. Foreign ministry officials too breathed a sigh of relief at the sackings. Earlier, US and western diplomats had been leading the chorus of accusations that the Sharif government was carrying out a clandestine privatization of Pakistan's foreign policy. This, they said at the time, included using the Jamaat-i-Islami [JI], retired ISI officials and other covert operatives to support movements in Kashmir, the Punjab, Central Asia and even the Arab world. "The worst thing Sharif could now do would be to bring back these men in any position whatsoever. It would be unacceptable to the West and the Arab world," says a senior foreign diplomat.

Imtiaz's unsavory reputation as head of Sharif's dirty tricks campaign earned him and the IB the reputation of being the worst violator of human rights since the Zia era. Imtiaz's harassment of the PPP [Pakistan People's Party] and political dissidents in the Muslim League, the constant electronic eavesdropping on the press, bulldozing journalists' homes and then capping it all for good measure with a treason charge on *The News* and its editor Maleeha Lodhi, made Imtiaz one of the most unpopular men in the country.

One of the interim government's first acts was to sack Javed Nasir and hand the ISI back to the army. The new ISI chief, Lt Gen Javed Ashraf, has since inducted two new generals of senior staff posts and is carrying out a major purge of middle ranking officers. The latter, leftovers from the Zia era, were suspected of cutting their own deals with various fundamentalist groups, including Gulbadin Hekmatyar's Hezbe Islami, without necessary clearance from the top. "The ISI is going to be tightened up as never before and made thoroughly professional and accountable," says a top ranking official.

During the five-week tenure of the interim government, senior bureaucrats, diplomats and politicians from both the PPP and the Muslim League were giving serious consideration to proposals concerned with coordinating the intelligence services in a more rational way. By most accounts, Imtiaz and Nasir had no bosses, no committee to watch over them and nobody to report or be accountable to. "They were making their own foreign policy as they went along and as it pleased them," says an inside source. The prime minister was usually kept out of decision making to allow him the leeway of plausible denial. The Foreign Office was never informed, while Shahbaz Sharif and Chaudhry Nisar Ali were the only politicians who occasionally came into the picture. The plethora of "freelance operations" that this environment gave birth to over the past two years has left the country's foreign policy reeling under multiple attacks from the West as well as the Arab world.

Among the most important steps taken by some leading officials of the interim government was to retrieve the

long neglected Zulfiqar report on intelligence agencies, dust it off and go over its recommendations once again. Although the report compiled after Zia's death has never been made public, its recommendations are said to include much more coordination between the ISI and IB and greater supervision over their activities by parliament, the government and the Foreign Office.

During their short stay in power, these senior officials pointed out that Pakistan's diplomatic, media and human rights campaign to push the Kashmir cause at international forums should be taken over by a senior committee, headed by the Foreign Office and responsible to the cabinet. There is little doubt that covert funding for press agencies such as the Kashmir Media Services (KMS) has proved to be nothing short of an unmitigated disaster. The KMS reports that are regularly aired on PTV [Pakistan Television] are not sourced, are attributable to nobody and are grossly exaggerated. All the international wire services and foreign journalists in Islamabad have refused to use KMS as a source of information because it has no credibility. Foreign embassies and international human rights groups, meanwhile, also do not pick up KMS handouts because they are seen as intelligence rather than genuine media efforts. The posting of a Pakistani journalist in Washington at a huge cost earlier this year, specifically to promote the Kashmir cause, also achieved little or nothing to speak of.

Also under consideration by the caretaker setup was a proposal to post a full-time diplomat in Washington and another at the UN in New York. The plan was that these envoys would be concerned exclusively with promoting the Kashmir cause, coordinating the activities of Kashmiri lobbyists abroad and providing credible information to the foreign media—activities which would be more convincing because they would be carried out publicly rather than covertly. Officials also argued for a regular weekly Foreign Office briefing for the international press on atrocities in Kashmir and the freedom struggle. Such reports could be compiled with the help of the intelligence agencies but they would be credible, sourced and not merely propaganda—similar in scope to the briefings conducted by some Western embassies during the Afghan war.

Officials pointed out that recent international human rights reports on Kashmir, by Amnesty and Asia Watch, have had a far more beneficial effect than the multi-million rupee media efforts conducted by Imtiaz and Javed Nasir. Covert control of Kashmiri organizations in the UK, the US and in Azad Kashmir itself also achieved very little. It would be far better, officials said, to promote genuine indigenous organizations that could promote the Kashmiri cause with official backing from the Pakistan government. This idea would only succeed, however, if Kashmiris of all political persuasions, even those who support the idea of an independent Kashmir, are included in such organizations. Trying to control these bodies through only those Kashmiris who support

the stance that Kashmir must join Pakistan has resulted in alienating a large number of Kashmiris.

Officials hoped that such ideas that are still in the formative stage, as well as a comprehensive review of the activities of the intelligence agencies, would be seriously considered by the new government. However, it is still unclear whether the agencies under the Sharif government are going to restart covert support and funding for Jamaat sponsored operations in Central Asia and Afghanistan as well as help to Arabs once based in Peshwar and now residing in Afghanistan. Several cabinet ministers who resigned from the Sharif camp last month have since come out into the open charging that the Sharif government was tacitly and otherwise supporting the operations of fundamentalist groups. Meanwhile, another major question mark hangs over the cleanup campaign in Peshawar: Is it going to continue or will it be allowed to just drift away into oblivion as Sharif bows to the Jamaat's pressure again?

For a politician who was once supported by the entire Arab world, Sharif had lost all credibility in Arab capitals because of these activities. Egypt, Algeria and some Gulf countries even threatened Pakistan with dire consequences if it refused to roll back these operations. For their part, Pakistani officials have been unable to persuade Egypt to re-open its suspended telephone links with Pakistan. The Egyptians are still maintaining that Pakistan is allowing Egyptian anti-government terrorists to reside in Pakistan.

A clean-up of the intelligence agencies is long overdue but so is the need to coordinate their activities, bring their budgets under control and avoid duplicating work and creating rivalries between them. In the past three years, Pakistan's own intelligence agencies, rather than Indian or Israeli plots, have been responsible for ruining the country's foreign policy, creating enemies abroad and allowing the Americans to stick a terrorist label on Islamabad.

Any such clean-up will have to be accompanied by a comprehensive review of foreign policy. For three years under Sharif, Pakistan's foreign policy had been drifting without direction or reason. A repeat performance would be even more detrimental to the country's reputation and its role on the international stage.

Drug Barons' Involvement in NA Elections Draws Complaints

*BK1210142093 Islamabad THE MUSLIM in English
12 Oct 93 p 12*

[Text] Islamabad, Oct 11—The Election Commission has received a number of complaints about the involvement of drug barons in last week's elections of the National Assembly [NA].

According to sources most of the complaints pertain to the Khyber Agency as the major drug barons, including Haji Ayub Afridi, belong to that area.

The authorities concerned had already disqualified Babu Khan, a nephew of Haji Ayub Afridi from contesting election but Afridis had got elected their nominee from NA-33, who is also allegedly involved in the drug business [sentence as published]. He has contacts with Singapore based Surney Ram an Indian Hindu as his partner.

The MNA-electe also is allegedly involved in black money transaction. According to the complaints, he purchase cloth, tyres, air-conditioners, refrigerators and other articles from Singapore with the drug money. The same articles are then smuggled to Pakistan via Kabul and are sold in Bara.

A religious organisation, headed by a Landi Kotal Peer, Abdul Malik and his father Sheikh Gul also suffered defeat at the hands of the drug mafia. The organisation nominated Taj Muhammad Kukikhail for the NA seat. The organistaion purchased votes at the rate of Rs [rupees] 30,000 per vote. But Haji Ayub Afridi purchased votes on much higher rate than this and his candidate won the election. The Peer Sahib is also stated to have links with the drug barons. Peer Sahib's disciples are also involved in various illegal activities.

A seasoned political leader and prominent lawyer, Abdul Latif Khan Afridi advocate, also lost election from this constituency.

Resumption of Privatization Feared93AS0934G Lahore THE NATION in English 8 Jun 93
p 4

[Editorial: "Resuming Privatization"]

[Text] It has been reported in a section of the Press that Prime Minister Nawaz Sharif has directed the Chairman of the Privatization Commission, Saeed Qadir to resume his charge and restart the process of privatization that had been arrested during the short tenure of the Caretakers. It is pertinent to recall that there is a political consensus within the country about the efficacy of the policy of privatization but that there was violent disagreement about the methodology of privatization adopted by Saeed Qadir. Hence a defense by the government must consist of proving that their privatized units are not cheating monopoly markets nor are they making the rich richer. But this may be difficult to prove for Saeed Qadir, who publicly stated last year at the first anniversary of Allied Bank's privatization that privatization would necessarily create monopoly markets and make the rich richer. The allegations made by Zahid Sarfraz, even though highly criticized at the time, nonetheless, did consist of some valid criticisms against the failure of the Nawaz Sharif government to make privatization transparent. And, at the same time, Sartaj Aziz had promised that the government, if restored to power, would make sure that transparency became a vital ingredient of the privatization policy. But somehow one gets the impression that with the restoration of the government of Nawaz Sharif all such promises have taken a back seat.

To accept valid criticism and thereby to improve the efficacy of a policy is a characteristic that so far has been absent from our ruling elite. Criticisms are either rejected as opposition propaganda or simply ignored. One can only hope that the government has learned a lesson while out of power and would now take care to ensure that valid criticism of their economic policies form a basis for policy revision.

Self-Sufficiency in Edible Oil Foreseen93AS0934F Lahore THE NATION in English
11 Jun 93 p 1

[Text] LAHORE (PR): Pakistan would become self-sufficient in the production of edible oil and we shall be able to save foreign exchange equal to Rs 10 billion by dint of modern research and the strenuous efforts of our farmers.

This was stated by a World Bank delegation during a study tour of the newly installed Breeding Station Plant of the Lever Brothers.

Mr Nisar Ahmad Brula, Director NODP, Government of Pakistan and Ahmad Saeed were also accompanied by the delegation. They took keen interest in locally produced species of sunflower seeds IS 897, IS 3,107 and other crops and called it an important step in history of

Pakistan's agriculture. Replying to a question M. Ibrahim threw light on the hybrid species of sunflower seeds and assured that they would make all-out efforts to provide low cost and high quality seeds suitable for all the seasons of Pakistan in order to augment production of sunflower oil.

State of Economy Outlined in Detail93AS0956C Karachi BUSINESS RECORDER
in English 13 Jun 93 p 2

[Text]

I. General

During the year 1992-93, the process of reforms, with its focus on liberalization, deregulation and privatization, was carried through with vigor. To reinforce supply side and structural reforms of the last two years, the government had also begun to formulate and implement policies designed to contain demand pressures. However, beginning from early in the year, a sequence of several unexpected developments acted as a severe restraint on progress towards achieving the objectives of high growth and financial stability. In the early part of the year there were widespread rains followed by flash floods that caused heavy loss to the economy, particularly to agricultural crops and physical infrastructure. In addition, leaf curl virus reduced the already flood damaged cotton crop. Reduced cotton output in combination with the global recession adversely affected the textile industry. The cost of rehabilitation and reconstruction strained the budget and balance of payments. Superimposed on these factors was the political uncertainty in the second half of the year that proved costly for the economy. The business confidence, that was built over several years, received a jolt, stock exchange got depressed, domestic and foreign private investment took a pause, and exports and foreign exchange reserves came under pressure.

It is a tribute to the resilience of the economy that it withstood the impact of all these adverse developments without a major financial or economic crisis. The growth rate, was, indeed, much lower than anticipated mainly reflecting the impact of the damage to agricultural crops and slowdown in the related trade and manufacturing activity. A part of the reduction in the growth rate in 1992-93 was merely "statistical" in nature representing the impact of a late upward revision of the estimated growth rate in 1991-92. In spite of lower output growth and high rate of monetary expansion, the rate of inflation in 1992-93 is estimated to remain at the last year's level of 9 to 10 percent. As regards the balance of payments, slow export growth in the later part of the year and temporary withdrawal of some foreign currency deposits in the period of political uncertainty were reflected in a decline in foreign exchange reserves that had earlier been built up to over \$1 billion.

II. GDP and Sectoral Growth

The pace of growth of about 6 percent maintained by the economy during the last several years was temporarily interrupted in 1992-93 when GDP growth is estimated at around 3 percent. The sharply lower growth rate is mainly accounted for by a decline of 3.9 percent in agricultural output. Excessive rains and devastating floods followed by attack of leaf curl virus disease led to a decline of 27 percent in cotton crop from 12.8 million bales in 1991-92 to 9.3 million bales in 1992-93. Output of sugarcane, rice and maize also registered decline.

The growth of industrial production also decelerated during 1992-93 due to certain adverse domestic and external factors. The value added in manufacturing sector as a whole grew by only 5.6 percent during 1992-93 compared with a growth rate of 8.3 percent during 1991-92. The value added in large scale manufacturing grew only by 4.5 percent during 1992-93 compared with 8.2 percent during 1991-92. The decline in growth was mainly on account of fall in the production of jute goods (-2.8 percent), phosphatic fertilizer (-2.0 percent), papers all types (-6.2 percent), soda ash (-0.4 percent) and caustic soda (-1.9 percent) and that is explained by industry specific reasons like shortfall of raw material, power breakdown, mechanical faults and closure of some units. The mining sector is expected to grow by 2.3 percent during 1992-93 against 3 percent during 1991-92. The Saindak Copper-Gold Project is under construction. It is the first large scale metal mining project in Pakistan and is designed to produce annually 15,810 tonnes blister copper containing 1.47 tonnes gold and 2.76 tonnes silver.

III. Demand Management

While the growth rate of the economy was lower than anticipated, monetary expansion continued at a high rate. Monetary assets expanded by 14.8 percent (Rs 71.76 billion) during July-December 1992 as compared with an expansion of 13.7 percent (Rs 51.94) billion in the corresponding period last year. The expansion was accounted for by both government borrowing for budgetary support and credit extended to the private sector. The larger government borrowing was the result of slower growth in tax revenue during the first half of the year and higher expenditure in the aftermath of the floods. Private sector credit requirements increased due to a number of exceptional factors. These include additional demand for credit to overcome the difficult situation after the floods, fulfillment of the pent up demand following the removal of credit ceiling in August 1992, slow retirement of seasonal credit, large increase in credit advanced under government sponsored schemes, and inclusion in the definition of the private sector of some of the components which were previously part of the government sector.

The sharp expansion in monetary assets during the first half of the year was, however, followed by a noticeable slowdown in Government borrowings as well as in

expansion of credit to the private sector. Compared to larger expansion in credit of Rs 71.76 billion during July-December 1992, monetary assets declined by Rs 2.73 billion during the period from 1st January to 13th May 1993. However, in spite of tighter demand management in the second half of the year, an estimated monetary expansion for the year as a whole at around 15 percent would remain on the high side, adding to excess liquidity in the economy.

IV. Prices

The excess liquidity in the system has built pressure on prices which are expected to increase at about the same rate as last year. In addition to the excessive money creation, the other factors contributing to price pressures included flood induced shortages, disruption in the transport system, losses to standing crops and deterioration in external terms of trade. The annualized increase is estimated at 9.59 percent in Consumer Price Index (CPI), 6.99 percent in Wholesale Price Index (WPI) and 10.78 percent in Sensitive Price Indicator (SPI) during 1992-93.

V. Balance of Payments

The initial projections of balance of payments made for the year 1992-93 anticipated overall improvement. This improvement was based on the assumption that exports would record higher growth while imports would remain below the level of last year. As a result deficit in trade account was projected to decline to \$1.9 billion during 1992-93 from \$2.2 billion in the preceding year. Home remittances were also projected to grow at a reasonable rate. After accounting for movement of capital account there was anticipation of build up in foreign exchange reserves of \$300 million.

During the year a number of adverse developments took place to counter the anticipated improvements. The heavy rains and floods in the first quarter of the year adversely affected the cotton and rice crops which are the major source of exports. Cotton was further damaged by virus disease. The production of textile industry was adversely affected by international recession. Consequently, the export tempo decelerated and the exports are estimated now much below the targeted level. The imports have grown more than anticipated due to higher imports to rehabilitate the flood damaged physical infrastructure and higher wheat imports. The political uncertainty in the second half of the year had its adverse effect on foreign currency accounts as well as on home remittances. Consequently, the foreign exchange reserves dropped to \$432.7 million on 30 May 1993 compared to \$1,011.5 million on 30 June 1992.

The following section gives a Summary of major sectoral developments.

Sectoral Developments

1. Transport and Communications

In the Transport and Communications sector a number of initiatives were taken to expand and modernize the facilities. The motorway project with its first phase to link Islamabad-Lahore by six lanes remained under implementation. The work on Indus Highway and improvement and extension in other national highways also remained under progress. For improving the railway system private sector has been involved in selling tickets and checking on some of its sections. A program is being undertaken for modernizing the existing seaport and building an additional deep water port largely with private sector participation. In the air transport sector, 13 private parties were approved to operate airlines.

A break-through has been made in the telecommunication system. Pakistan Telecommunication Corporation (PTC) has been given an autonomous status. It has widely expanded the network of telephones. During July-March 1992-93, 111,350 new telephones were installed. Optical Fibre system has been introduced, and cities between Karachi-Islamabad have been interlinked. At present 1,400 international and 2,000 national circuits are working from the two international gateway exchanges at Karachi. A third such exchange was installed at Islamabad which is currently accommodating 1500 international and 1000 national circuits. Expansion in Gateway Exchange is under progress for adding 1400 and 1500 international circuits at Karachi and Islamabad respectively. Pakistan is now directly connected with 125 countries. Mobile telephone service has also become popular in major cities of the country. By the end of March 1993, 2500 mobile subscribers have access to PTC network of Cellular Mobile Telephones.

2. Energy

Of the total energy supply, oil (petroleum) accounts for the largest share of 42.1 percent followed by gas with 36 percent, electricity 16 percent and coal 5.9 percent. Petroleum requirements are met through both domestic production and imports. The petroleum import bill for the whole year is estimated at \$1.5 billion. Development of energy sector has been accorded highest priority and 21 percent of the total public sector development program was allocated to energy sector alone. During July-March 1992-93, 37 oil fields were in production and these produced 22.2 million US barrels of crude oil. During the same period 20 wells were drilled, 11 by the public sector and 9 by the private sector. Production of gas has increased by 6 percent. There has been substantial increase in the installed generating capacity of power and was estimated at 10598 MW during July-March 1992-93 as compared to 8929 MW during July-March 1991-92. There has also been increase in the transmission lines and reduction in power losses in the WAPDA [Water and Power Development Authority] distribution system. The village electrification is an integral part of

the rural development program to uplift the living standard and productive capacity of the 70 percent people living in villages. During the first eight months of the year under review, around 3,000 additional villages were electrified. The total number of villages so far electrified stands at 43,640.

3. Population and Labor Force

According to the recently released Population Demographic Survey 1990, there is a slight decline in population growth from 3.1 percent to 3 percent. This is based on crude birth rate of 40.6 per thousand and crude death rate of 10.6 per thousand. The Survey does not reveal any significant change in the age distribution and the proportion of productive population which falls in the group of 15-64 years has remained around 50 percent close to the estimates of the Surveys of 1984-89. With total population of 120.84 million, labor force is estimated at 33.80 million as on 1st January 1993. The open unemployment is estimated at 6.28 percent with break-up of 8.19 percent in urban areas and 5.48 percent in rural areas. Unemployment rate is higher among the female population compared to the male population. Agriculture is the major source of employment accounting for 47.5 percent of employment followed by personal services, wholesale and retail trade. Apart from the normal employment opportunities accompanying the general growth in the economy, a number of schemes remained in operation for generating additional employment opportunities. These include Youth Investment Promotion Society, Small Business Finance Corporation's loaning facilities, Public Transport Scheme and Self Employment Scheme.

4. Education

The literacy rate is estimated at 35 percent which shows substantial improvement over 26.2 percent in 1981 but it is still low compared to many other countries at a similar stage of economic growth. Participation rate at primary level is around 70 percent. Disparities persist when viewed on male-female and rural-urban basis. Development expenditure on education has been increased from 2.2 percent of GNP in 1991-92 to 2.4 percent in 1992-93. There has been substantial expansion during 1992-93 in the education facilities, particularly in terms of primary schools. There has also been significant improvement in participation rate at the primary stage. At present there are 124,171 primary schools including mosque schools, 774 colleges and 23 universities. A new education policy was announced in December 1992 for the next decade. This aims at universalization of primary education, eliminating drop out, fulfilling the basic learning needs by the year 2002. Besides direct role of the public sector, active participation by the private sector is envisaged in achieving the goals of the policy.

5. Health and Nutrition

The Government is running a nationwide network of medical services. The network consists of 778 hospitals,

4,095 dispensaries, 470 Rural Health Centers and 4,526 Basic Health Units. All these provide free consultative services and free basic medicines. Hospitalization is considerably subsidized. A sizeable medical infrastructure exists in the private sector but it is mainly concentrated in urban areas. At present there is one doctor for 2,111, one dentist for 53,497 and one hospital bed for 1,525 persons while there are 4 hospital beds for one nurse. During the year under review, the total expenditure on health has been increased by around 25 percent and as a percent of GNP from 0.73 during 1991-92 to 0.81 during 1992-93. The addition in the trained manpower in the health sector includes 3,287 medical officers, 170 dentists, 3,528 nurses, 8,730 paramedics, 5,919 traditional birth attendants. A large number of new Basic Health Units (BHUs) and Rural Health Centers (RHCs) have been started and 821 BHUs and 98 RHCs upgraded. Over 3,700 hospital beds have been added to the existing medical hospitals.

During the year a Child Survival and Primary Healthcare Program has been providing free services. Its basic aim is to reduce infant and child mortality, mal-nutrition and deaths due to diarrhoeal diseases. Anti-narcotic campaign was intensified during the year.

Government has launched a special program to improve the nutritional status of low income people. The per capita food intake has increased from 2,453 calories daily in 1991-92 to 2,471 calories in 1992-93. Pakistan has achieved 96.2 percent of Recommended Dietary Allowance (RDA). The per capita protein availability has also increased from 63.55 grams per day in 1991-92 to 64.37 grams in 1992-93.

6. Housing and Other Social Sectors

The shortage of the housing at present is estimated at 6.25 million units (4.31 million in rural and 1.94 million in urban areas). This backlog is increasing by 150,000 units every year. The Government has devised a comprehensive National Housing Policy. It envisages broad guide lines for provision of housing facilities to meet the backlog. It would accelerate the housing production, make available suitably located land at reasonable prices, develop effective strategies for preventing formation of slums and katchi abadis, improve the quality of the existing residential areas and mobilize resources for housing. National Housing Action Plan has been developed to implement the policy. House Building Finance Corporation has remained active during the year in providing finances for building houses. During the calendar year 1992, three marla plots numbering 1,245 and 540,506 seven marla plots were distributed. Development work was undertaken on 689 katchi abadis and 14 slums throughout the country. Besides a large number of katchi abadis and slums have been upgraded. Efforts have also been made by the government to improve safe water and sanitation, sewerage facilities both in rural and urban areas. In order to check the enormous problem of environment degradation, National Conservation Strategy has been formulated. It would achieve a

sustainable development along with preservation of the environment. Presently some important schemes are under implementation.

Social Action Program (SAP) was launched during 1992-93. It aims to address the neglect of basic social services in coordinated and concerted manner. It focuses on the need of basic education, primary health, nutrition, family planning, rural water supply and sanitation. Its implementation is primarily the responsibility of the provinces. Besides, a number of programs were launched with focus on women's uplift and rural development.

Balance of Payments, Export Ratio Seen Poor

93AS0956B Karachi BUSINESS RECORDER
in English 14 Jun 93 p 2

[Editorial: "A Bleak Picture"]

[Text] The country's economic performance, as depicted in the Annual Economic Survey, could aptly be termed as bleak. It was not the agricultural sector alone that suffered a set-back with a decline in output by 3.9 percent compared with its robust growth rate of 6.4 percent in 1991-92, the deceleration in growth was noticeable in such important sectors as manufacturing, mining and the services sector as a whole. The cumulative effect was thus reflected in the sharp drop in the GDP growth rate to 3 percent which has proved to be the lowest over the last several years. The available statistics show that the low GDP growth rate of 4 percent was noted in 1983-84.

It is true that the sharp decline of 27 percent in the production of cotton from the previous year's 12.8 million to an estimated 9.3 million bales in 1993 in addition to decrease in production of rice and sugar cane as a sequel to the damaging impact of flash floods, did adversely affect the overall economic growth to a considerable extent but the marked deceleration in the growth of other sectors like manufacturing, mining, transport and communications, retail and wholesale trade, construction of houses, etc., appears to be rather inexplicable. If seen in the context of the government's liberal economic policies which were supposed to strengthen the supply side of the economy, as has been claimed in the economic review, the disappointing trend almost allround, is hard to be substantiated by weighty explanations. Whether the management of the economy lacked timely policy response to counteract the causes of slump in industry, retail and wholesale trade, service sectors, etc., is a debatable question. Secondly, it also appears that priorities of spheres deserving of attention, were not appropriately chosen. It is possible that overwhelming attention to construction of highways and motorways not only led to resource transfer to a sector which could not immediately contribute to economic growth but at the same time, appropriate economic policy tools could not be used on time to properly tackle the after-effects of flood damages.

The manufacturing sector which was projected to show a growth rate of about 9 percent ended the year with a low growth rate of 5.63 percent compared to 8.26 percent in the previous year. The large-scale industry in particular reported a deceleration of a large magnitude recording a growth of 4.53 percent as compared to 8.2 percent in 1991-92. In fact, the small-scale industry seemingly supported the growth statistics of the entire industrial sector, by maintaining its previous year's rate of growth. It may be pointed out that statistics on small-scale industry are always sketchy and unreliable because these industries operate in the unorganized sector. In view of this, a larger weightage of growth which was accorded to small-scale industry may be more imaginary than based on reliable statistics.

Total investment outlay during the year is estimated to have increased by 14 percent to Rs 277 billion over the previous year's amount of Rs 243 billion. Despite this increase in absolute terms, the growth in investment in 1992-93 lags behind the 17 percent increase which was recorded in 1991-92. This shows the onset of deceleration in the pace of investment also proved to be a disturbing aspect. The marginal rate of savings is stated to have improved quite markedly to 21.3 percent of GNP compared to 18.2 percent in the previous year. Similarly, national savings as percentage of GNP improved to 15.2 percent over the previous year's 14.5 percent. The national savings reportedly financed the year's investment to the extent of 75.7 percent of total resources compared to 73 percent in the previous year. These improvements seemingly failed to reflect their favorable impact on the overall economic growth, specially in the vital sectors.

The country's balance of payments position continued to be grave. The targets of exports could not be achieved. The estimated exports in 1992-93 are expected to show a negligible increase to \$7.06 billion against the target of over \$8 billion, compared to export earnings of \$6.76 billion in 1991-92. The gap in the balance of trade is likely to widen to \$2.55 billion compared to \$2.236 billion in 1991-92. The deficit in balance of trade was targeted to decrease to \$1.868 billion this year which apparently stands frustrated. While private remittances showed modest improvement at \$1.50 billion compared to \$1.468 billion in 1991-92, the current account deficit is likely to be larger at \$2.875 billion in 1992-93 compared to \$1.50 billion in 1991-92. The deterioration in the balance of payments position, is likely to increase the country's resource constraints and consequently increased resort to foreign borrowings would become inevitable. Thus, the economy's poor showing during 1992-93 has further distanced the goal of economic self-reliance.

Full Convertibility of Rupee Advocated

93AS0956H Karachi DAWN in English 14 Jun 93
(Supplement) pp II

[Article by Tahir Jahangir: "Exchange Rate Policy"]

[Text] As a country we have moved from a system of fixed exchange rates to a floating one. The float is not a "free float" like a balloon in the air but one managed by a very strong string held by the State Bank of Pakistan. In theory the exchange rate or rather the price of the rupee will be set by the demand and supply of it. Supply by the importers in our country and demand from the importers of our exports and of course, the immigrant remittances. Now if the rupee was completely free and convertible like say the US dollar then its price would be determined by free market forces. Our chronic foreign exchange imbalance would be rectified by a reduction in the value of the rupee to the extent that imports would fall and exports rise to fill the gap. A chronic foreign exchange gap shows that the rupee is heavily over valued. If it had not been for immigrant remittances and narco money the gap would have been unbridgeable. Even as it is the Government has to resort to heavy borrowings from abroad to bridge the gap. An examination of the last 15 years' statistics shows that whenever the Government has depreciated the rupee, it has had an impact on the manufactured exports especially textiles. The impact on commodity exports cotton and rice is more doubtful at least in the short run. The reason for this is not that the farmer behaves irrationally but that local prices of rice and cotton have not been mixed by free market mechanism but by Government decree. Mostly they have been kept well below the export price to create a surplus for the Cotton Export Corporation, The Rice Export Corporation and the spinning industry. A better way of looking at export growth is not by its increase over base period but by the incremental acceleration or deceleration in the current year over previous year. The static exchange rate up to 1981 was leading to decelerating exports in textiles and surgical equipment. The devaluation of the 1980's brought about accelerating exports. The picture for almost all manufactured exports shows the same trend except for carpets.

The rupee had been devalued massively in the early 1970's from a level Rs 4.75 to the dollar to around Rs 10. This had been partly offset by export duties and abolishing the bonus voucher scheme. However by the end of 1970's exports were decelerating. The large devaluation of 1980/81 brought a sharp increase in exports with a lag of one or two years. Our exporters face continuously rising costs. Electricity, gas, telephone, transport, labor and other inputs are constantly rising at well 10 percent per annum. A devaluation of 10 percent per annum only compensates for the inflation rate. Hence any year in which the rupee does not devalue by 10 percent will bring about a deterioration in the cost advantage of our exports. Of course, exchange rate policy is not the only determinant of export growth—as carpet exports amply demonstrate. There are a number of other factors which affect exports. The overall economic situation in our customers' economies;

—the competitive strength of our rivals;

—restrictions to trade such as quotas, embargoes, anti-dumping duties;

—the ability of the industry itself to modernize and upgrade its products and facilities. These are but some of the factors in a complex world. There is one home truth: people will invest in any activity which makes money and which they know. So if garment exporters make money, they will increase their investments and others will join their ranks. If tomorrow they begin to lose money they will look for some other profitable business. The limiting factor is knowhow. We may come to the conclusion that making aircraft will make a lot of money but we simply do not have the technology or the base to do so. This is where government policy comes in to produce a consistently well educated work force and improved infrastructure. One standard argument given by many knowledgeable people is that exports depend on availability of an export surplus, if there is no export surplus then no matter what the export incentive, there is nothing to export. This argument is negated by the above statistics. Everytime exports are promoted, people invested and created ever larger surpluses. It takes a year or two to build up capacity and if we allow for a two-year lag, the growth in exports closely follows the exchange rate. The yarn spinning capacity e.g. went from 4 million spindles to over 7 million today. The export surplus theory may be applicable to crop surpluses, but even there it is only a short-term argument. In any given year a high price for say cotton will not produce extra cotton, but a consistently good price will not only bring in more acreage but also improve yields. Witness the cotton crop going up from 4 million bales to 13 million bales. The other argument given is that the FEBC [Foreign Exchange Bearer Certificates] rate is free but it floats only a few percentage points above the official rate. The supply on the FEBC market is huge—all the expatriate remittances and narco money. The demand is only by those wanting to travel abroad and spend more than \$200 per day allowed by the State Bank or capital flight. Neither of these are heavy. If all import requirements of the country were not provided by the State Bank at an assured rate but had to be met by the open market, the value of the rupee would shoot up to at least 10 percent above the Indian rupee rate. The third argument given is that devaluation of the rupee will bring about inflation. This is total misunderstanding of the basic economic factors. The value of any currency depends upon its buying power within that country and the demand for its products. (Hence currencies of the oil producing countries will always be strong as long as oil is in demand.) In normal multiproduct countries the value of its currency will depend upon its own inflation rate, which depends upon its internal economic policies, savings rate, budgetary deficits, etc. Hence a country like Germany with sound economic policies will see its currency appreciating against others, who have higher rates of inflation. The fact of the matter is that from all objective criteria the rupee as it stands today is overvalued. We cannot pretend that our inflation rate is lower than that of our neighboring countries. Huge budget deficits fuel inflation at an ever increasing

pace. Without devaluation our exports will suffer and imports prosper. Devaluation is not the cause of inflation; it is the effect of the same. It is not the disease but only a symptom. If domestic inflation is brought under control then the need for devaluation disappears. I would be the happiest person if we could avoid inflation and devaluation. Yet in the current situation either complete convertibility of the rupee or a large devaluation is the only answer to a slowing down of our exports.

Economic Performance Seen Poor, Called 'Bleak'

93AS0955K Islamabad THE MUSLIM in English
15 Jun 93 p 6

[Article by S. Ahmad: "A Bleak Economic Performance 1992-93"]

[Text] The fact that the current financial year recorded the lowest economic growth of 3 percent, belying the earlier optimism of Finance Minister Sartaj Aziz, has been confirmed by the official economic survey which explains the reasons why. That undoubtedly is a major fall from the projected growth of 6.6 percent of the GDP [Gross Domestic Product], and the growth of 7.7 percent now claimed for last year. But when agriculture, the economic mainstay of Pakistan's economy records a negative growth of 3.9 percent, while large scale manufacturing grows by only 4.5 percent, despite the recent expansion in industries with the help of large public sector bank loans, that has to be expected. It is only the growth of 8.4 percent in the small scale industrial sector, which is largely neglected by the official agencies which has raised industrial output by 5.6 percent.

A combination of the floods of last September which are estimated to have caused a loss of Rs 59 billion in all, the severe setback to cotton production, the fall in rice output, poor performance of the wheat crop compared to the high expectations and the international recession which reduced the value of the exports, particularly cotton yarn and textile, and finally the political uncertainty appears to have slashed the economic growth to less than half of the projected increase of 6.6 percent. It is also a fact that the planners usually tend to overestimate the possible growth and come to be disappointed too often.

While the growth in the economy is only 3 percent, money supply has increased by 15 percent. That should give us an inflation rate of 12 percent, but the government claims the inflation rate is between 9 and 10 percent, or precisely 9.59 percent.

As a result of fall in cotton output to 9.3 million bales compared with the target of 12 million bales, and last year's output of 12.8 million, as well as the fall in prices for many of Pakistan's exports, exports have risen by only 3.6 percent compared to the target of 19.5 percent. Imports have risen, particularly because of the larger wheat imports. As a result the deficit in balance of trade could not come down to 1.9 billion dollars from 2.2

billion dollars last year. Similarly, the year will end with a deficit balance of payments which will be as high as 2.88 billion dollars compared with the projection of 2.21 billion dollars. As a result the foreign exchange reserve of the country has already sunk to a 432 million dollars from over 1,011 billion dollars. And many stages beginning with the import of machinery. And the reforms to a considerable extent. Pakistan can receive considerable assistance from the World Bank and the IMF but on their own terms which means substantial reduction of the large budget deficit and economy on all sides which the government is reluctant to undertake.

Investment this year is claimed to be Rs 277 billion which is 20 percent of the GNP and national savings are said to have financed that to the extent of 75.7 percent compared with 73 percent last year. Investment of 20 percent of the GNP is a reassuring figure, although in a developing country like Pakistan 25 percent is a better figure, but the fact is only a part of what is claimed to be invested is really invested because of the large kickbacks obtained by the industrialists at return on the investment in the public sector, which in the current year is Rs 122 billion, is usually small.

In the harridly skewed economy of ours nothing works in the manner it normally should. And while users charges are better than taxing all, most of the time the people do not get what they pay for or get very poor services.

Above all, the issue is not only the extent of taxation, direct and indirect, but also what the people get in return for the taxation. If there is excessive corruption in the government, and if the people do not have a sense of security and they have to pay for their own security, buy water from private suppliers, install generators for power and pay heavily for the education, health and transportation they are indeed getting a poor return for the taxes they pay. If to add to that, the constitutional crisis and political instability retard economic growth they are getting a raw deal for all the taxes they pay.

1993-94 Budget Scrutinized

93AS0955F Lahore *THE NATION* in English
15 Jun 93 p 6

[Editorial: "Budget 1993-94"]

[Text] Outlining the economic priorities of the government for fiscal year 1993-94, Federal Finance Minister Sartaj Aziz, in his budget speech, itemized five points: one, the GNP [Gross National Product] growth rate to be propelled to 7 percent per annum; a target that may be difficult to achieve given that the world recession, mentioned by Mr Aziz as a contributory factor for the low growth rate of 3 percent this year, has yet to be controlled. Mr Aziz reckons that this would be possible through extending the relevant powers of certain government institutions, like the Monopoly Control Authority, CLA [Chief Legislative Assembly], etc. Mr Aziz has also finally succeeded in imposing a tax on the rich landlords. The method announced by him is to include agricultural

property as wealth and levy a tax on wealth. And in order to ensure that this tax is paid, i.e., the payee does not place part of his property in the name of a minor, the Finance Minister has announced that for the purpose of this tax a minor's wealth would be considered to be part of the parents' wealth. The Finance Minister also announced in his budget speech the continuation of the yellow cab scheme, an employment scheme already launched which also consists of allocating credit to the unemployed, and another scheme to be known as yellow tractor scheme which will affect the agriculture sector favorably. However, one would hope that the tractor scheme is only for those farmers with an income below a certain level and that the rich landlords do not pay wealth tax on the one hand only to get it all back through a loan for procuring a yellow tractor. The Finance Minister also talked about the continuation of food stamps, another scheme likely to benefit the poor, amending the Zakat scheme in an effort to reduce corruption by giving the facility of direct payment in the bank of the needy and by paying for poor students who wish to study in private schools with high fees. Third, Mr Sartaj Aziz stated that the government will be, in the budget for 1993-94, attempting to reduce the budget deficit. He correctly identified that if the deficit declines so will inflation. While it is certainly accurate to say that the large deficit is not the fault of the present government and that the cumulative policies of the last 14 years or so are responsible for the unwieldy deficit, yet Mr Sartaj Aziz insisted that this year things would be different and that the government would adhere to the amount of deficit that was announced in the budget. One can only wish the Finance Minister luck on this. Fourthly, he stated that the government would like to reduce its reliance on foreign aid and even though he seems to have increased this reliance in total as well as in percentage terms yet one can give him the benefit of doubt, namely, that as foreign investment flows into Pakistan reliance on foreign aid might well be reduced. For achieving this purpose the Finance Minister has offered fiscal incentives to modarabas and public companies so that the stock market crash, evident after the dissolution of the National Assembly, can once again be stabilized.

And finally, the Finance Minister mentioned improvement in the social sector as part of his government's priority in the budget. However, the budget provisions for 1993-94 which envisage a slash in the priority allocation for defense by 2.1 percentage points does not really match in terms of total allocation, revised estimates of 1992-93 as the budget envisages a rise by 1.9 percentage points. In comparison to the allocation in last year's budget speech the rise in defense allocation is 8.4 percentage points, or at least a point and a half less than the rate of inflation. Even though this decision could have been taken to appease international creditors who are increasingly linking aid packages with lower defense outlay, it is still a decision which needs to be lauded. Unfortunately, though, the increased percentage allocation on defense did not imply a higher percentage

allocation on the Annual Development Program. On the contrary, the Finance Minister deemed it prudent to further trim the percentage allocation on development by another 2.8 percentage points, for a second year in a row. Thus in 1993-94 the Annual Development Program is likely to account for only 22.5 percent of the entire expenditure of the federal government. This is inclusive of the much publicized Social Action Plan and Tameer-e-Watan Program. The biggest allocation is earmarked for Transport and Communications, approximately 17062.9 million rupees, an amount which is in excess of Tameer-e-Watan and Social Action Program combined, items which together account for 11716 million rupees in the budget 1993-94. Of particular concern is also the fact that the Federal Finance Minister deemed it prudent to invest a larger amount on Transport and Communications than on power. Thus the power sector, a sadly deficient sector and the major factor responsible for the inability of the production sector to produce at optimum capacity, has been allocated 12067.3 million rupees; or, in other words, an amount less than what was allocated under this head in 1992-93 by about 621.7 million rupees in real terms. It is unfortunate that the Federal Finance Minister also reduced allocation on Women Development by 51.9 million rupees, i.e., this item will be allocated a mere 85.8 million rupees in 1993-94. And did not increase it on population welfare by as much as was needed. Rupees 23.6 million as additional allocation is not sufficient to control the population growth rate of 3 percent, a rate given by the Economic Survey 1992-93, on which few place any reliance. The public still believes that the rate of population growth is closer to 3.2 percent, a figure quoted by World Bank sources, than what is being claimed by the Economic Survey 1993-94. Science and Technology and Education are two items under the ADP [Annual Development Program] which are not likely to make any serious inroads into making Pakistan either a more literate country, or a more technologically advanced one as their allocation is negligible to what is needed in terms of investment to make a difference. And what is the unkindest cut of all is the decision to lower the allocation on research, statistics and planning—departments which not only require more money in order to make more accurate assessments of key economic indicators but they also need to be made independent from the government so that the latter has access to statistics which have not been doctored to suit political purposes.

However, the budget for 1993-94 ought to be known as the budget of committees. The Finance Minister announced the establishment of several councils/committees, etc., a fact which is likely to account for the rise in the priority allocation on government functions. He also announced an increase in tax on petroleum products by 10 percent thus substantiating rumors that the price of petrol is going to rise in the budget and ensuring that the retailers make windfall profit, i.e. those who had started hoarding in the hope of just such an eventuality. Mr Sartaj Aziz also announced a phasing of the Motorway project, a policy that one can appreciate as

it was just not the right priority expenditure item given the low resource base of the country and the poor performance of other key social and physical sectors. The Finance Minister, wherever possible, tried to resist tax increases in the budget. He, for example, continued his policy of reducing custom duty to almost 80 percent, as part of government acceptance of the conditionalities outlined by the IMF. He levied a tax on plazas, up to 2 percent of the total. He levied a 5 percent tax on foreign exchange for foreign travel. He reduced the excise duty on telephones to 35 percent, as there was loss in terms of tax collection on the 60 percent duty he had levied last year. He withdrew the tax on pesticides, in response to the agriculturalists' complaint mentioned in the Economic Survey. The attack of pests on the cotton crop was the reason for its low yield. But most interestingly the Finance Minister opined that had Mr Farooq Leghari presented the budget it would not have been very different from what was presented today. Whether this is due to a political consensus on key economic issues or because of the need for encouraging political dialogue as a prerequisite for attaining economic development one can hope only that our politicians do support each other where the interests of the economy are at stake.

Japanese Promise 873 Million Rupees in Aid

93AS0955J Islamabad *THE MUSLIM* in English
15 Jun 93 p 9

[Text] ISLAMABAD, June 14: The Government of Japan has agreed to provide grant-aid to Pakistan for the total amount of ¥ 3,405 million (approximately Rs 873 million) under five separate agreements as part of the grant programs to be implemented during the current Japanese fiscal year (April 1993-March 1994).

Official notes to this effect were exchanged here Monday between Kunio Muraoka, Ambassador of Japan, and R.A. Akhund, Secretary-General to the Government of Pakistan, Economic Affairs Division, Ministry of Finance and Economic Affairs.

The Japanese grant assistance, agreed upon today, covers the following four development projects and a Debt Relief Grant to be utilized for the balance of payments support:

Project for the construction of bridges in the North West Frontier Province (Phase-II): an amount ¥ 1,177 million (Rs 302 million) will be provided for the second phase of the project covering the construction of six more bridges most urgently required for the development of a modern road network in the North West Frontier Province.

Japan has already provided ¥ 860 million for Phase-I of this project under which five bridges are being constructed across four rivers in the Province.

Project for the improvement of equipment for road construction in NWFP [North-West Frontier Province]: The Government of NWFP had decided to construct a total of 999 kilometers of new roads and improve 2,017

kilometers of existing roads in the Province during the Seventh Five Year Plan (1988-93). However, due to old and deficient construction machinery and shortage of funds for acquiring new equipment, it is estimated that only 57% of the targeted road construction and 44% of the roads improvement may be accomplished by 1993.

To cope with this situation, the Government of Pakistan requested for assistance under the Japanese Grant Aid Program. After conducting a feasibility study and basic design study, the Government of Japan decided to provide grant aid for the amount of ¥ 1,013 million (Rs 260 million) to the Communication and Works Department of the Government of NWFP enabling the procurement of construction machinery required for the completion of this project.

Project for groundwater development in the desert areas of Pakistan: Vast lands in the desert areas of Pakistan such as Cholistan, Tharparkar, Balochistan coast, barani areas of Punjab, are not yielding their full agricultural potential due to non-availability of sustained water supply.

Exploitation and development of groundwater resources in these areas is expected to help promote agricultural and livestock production in the country.

The Japanese grant of ¥ 679 million (Rs 174 million) is to be used by WAPDA's [Water and Power Development Authority] Hydrology Department for the purchase of two drilling rigs and ancillary equipment for the purpose of undertaking groundwater development in the desert areas.

Coastal fisheries development project in Balochistan: The coastal area of Balochistan extends some 770 kilometers and 90% of its population depends on fishing for its livelihood. Some 3,000 fishing vessels in the Province are equipped with outboard motors and over 600 have inboard engines. But since the greater part of the coastal belt is remote from big cities, transportation of the catch and equipment places heavy financial burden on the fishing families. The Government of Balochistan is keenly interested in the development of coastal fisheries which is indispensable for the improvement of its economy. It has recognized the need of supplying basic items of fishing equipment to the fishermen at low cost. In order to achieve this objective, assistance of the Government of Japan was sought.

Consequently, an amount of ¥ 414 million (Rs 106 million) has now been placed as grant-aid by the Government of Japan at the disposal of Balochistan for importing inboard marine diesel engines, outboard kerosene engines, fish finders, fishing net material and machinery workshop equipment.

Debt relief grant: Under the fifth agreement, the Government of Japan has provided a debt relief grant of

¥ 122.141 million (Rs 31 million) as a means of refinancing the payment obligations of the Government of Pakistan incurred under Japanese loan agreements concluded.

New Budget Seen Fair, Balanced

93AS0955D Lahore THE PAKISTAN TIMES
in English 16 Jun 93 p 6

[Editorial: "A Balanced Budget"]

[Text] Federal Finance Minister Senator Sartaj Aziz has presented a Rs 332.52 billion federal budget for 1993-94 against the backdrop of an external and internal unfavorable economic environment. While the current international recession and devastating floods created economic difficulties for the country, the political uncertainty contributed to the woes of national economy. The GDP [Gross Domestic Product] growth slid to 3 percent during 1992-93 against 6 percent maintained over the last several years. But the budget which is both development- and welfare-oriented has gone a long way to put the economy on the road to progress and prosperity. To achieve this a five-point strategy has been projected. It comprises: firstly, accelerating the growth rate of GDP to 7.5 percent including the share of agriculture at 9.4 percent and manufacturing at 8.1 percent. The total investment is estimated to increase by 17 percent. Secondly, ensuring macroeconomic stability by reducing the budgetary deficit to 5.5 percent of GDP in the next year and increasing exports by 15 percent to help reduce the deficit in the balance of payments. Thirdly, increased expansion in electricity, gas, water, roads, telecommunication and other infrastructure facilities. Fourthly, continued priority to development of social sector. Fifthly, restoring business confidence to ensure active participation by private sectors, both local and foreign.

The budgetary deficit during the current financial year had already reached 7 percent of the GDP. Confronted with an overall deficit of Rs 107 billion in the coming financial year, the Federal Finance Minister has reduced it to Rs 85 billion by raising additional resources of Rs 22 billion, out of which Rs 18 billion would come out of new taxes and Rs 4 billion through better tax administration and recovery. The emphasis on generating more revenue through direct taxes is clearly indicated by levying withholding tax on more items such as purchase of foreign exchange quota for travel abroad and on buildings and plazas excluding residential houses. Similarly revenue yield from wealth tax and capital value tax would be enhanced through direct taxation. This is indeed a very redeeming feature of the tax proposals and covers the taxation principle of equity. The highest slab of customs duty has been brought down to 70 percent which was earlier reduced to 90 percent. This will encourage industrialization in the country. The budget provides relief in excise duty on a number of items, the most significant being the reduction in duty on domestic

telephone calls by 30 paisas. To provide cheaper transport, customs duties on cars related to their engine size have been reduced. Specific duty of Rs 2 per kg on imported milk has been withdrawn to provide relief to the common man. Similarly, for the fixed income groups, a Wage Commission for the employees of banks and a Pay and Pension Commission have been proposed. Sales tax exemption has been withdrawn on 10 items and its rate has been increased from 12.5 to 15 percent. At the same time the prices of petroleum products have been increased by 10 percent. The taxes in their true perspective are fair enough to present a balanced budget, increasing the share of direct taxes significantly.

Development outlay has been estimated at Rs 75 billion against Rs 71 billion for the current year. The share of the federal government is Rs 53 billion, 71 percent of the total. The rest is shared by the four provinces. Defense expenditure has been placed at Rs 89 billion showing an increase of only 1.9 percent over the revised estimates of 1992-93. Taking into consideration the rate of inflation at 10 percent, the defense expenditure stands almost frozen. Agriculture has been given its proper importance in the budget. The agriculture sector, which, registered only a growth rate of 3.9 percent this year, would be supplied 2.2 million tons of fertilizers, 157,000 tons certified seeds, 128 million acres of water and adequate credit.

The Social Action Program (SAP), an investment in human resource development, is designed to provide primary education, basic health, nutrition, family planning, potable water and sanitation. It has been allocated Rs 10.6 billion, Rs 8.8 billion provincial and Rs 1.8 billion federal. To Rs 8.8 billion provincial program, federal contribution will be Rs 6.6 billion, whereas Rs 2.2 billion will be provided by foreign donors. The increase in the enrollment of girls at primary level is projected at 11.6 percent as compared to 4.9 percent for boys. The health program will cover the construction of 31 basic health units (BHUs), upgradation of 81 rural health centers (RHCs) and 557 BHUs. In the last analysis, the budget emerges as a healthy blend of tax concessions and levies targeted at reduction in fiscal deficit, high growth rate, boosting investment and increasing the welfare of the common man.

Businessmen Praise Budget

93AS0955E Lahore THE NATION in English
16 Jun 93 p 11

[Text] Lahore (PR): Mr Jawaid Tariq Khan, immediate past Chairman of Pakistan Pharmaceutical Manufacturers' Association (PPMA), Chairman of Public Affairs Committee of PPMA and Convener of Executive Committee of Lahore Chamber of Commerce and Industry and Group Chairman of Highnoon Group of Industries, when contacted for his reaction on the Budget 1993-94, said that it is positive and a balanced budget, will accelerate the investment and the measures announced

for giving further incentives to deposits will help mobilization of domestic savings. He highly appreciated the decision expressed by the Finance Minister in his budget speech that the rate of lending is an impingement to further investment and a committee has been formed to look into it.

Mr Khan however, expressed that a vigorous campaign should be launched by the government to effectively bring home the fact to the public in general that the economy of the country was in shambles and revolutionary steps were required for its recovery. In his view, the revolutionary steps like taxing the very rich who are not already taxed have not been taken and agriculture income and wealth have been left out of the tax net. Mr Khan further emphasized that there is a need to bring more and more people into the tax net than increasing the taxes on those who are already taxed.

GCCI President: Sh. Muhammad Aslam, President, Gujranwala Chamber of Commerce and Industry, has hailed the Federal Budget 1993-94 and termed it production-oriented. He stated that no budget better than presented by the Finance Minister was possible in the odd circumstances prevailing in the country.

He said that the budget would pave the way to promote the process of industrialization and would discourage smuggling which had become a parallel trading system in the country.

Sh. Muhammad Aslam said that the increasing rate of sales tax to 15 percent would definitely affect the industry and people at large. He appreciated lowering the central excise duty on telephone calls as it was agitating the mind of common man.

Our Sialkot Correspondent adds: People belonging to different walks of life have widely hailed the new budget in the city and other parts of Sialkot district. Expressing the views on the new budget the President of Sialkot Chamber of Commerce and Industry (SCCI) Ghazanfar Ali Shabbir highly appreciated the budget and termed it a well-balanced and investment-oriented budget. He said it will go a long way in establishing the national economy on an even keel besides the demands of people of different classes.

The SCCI President said the reduction of excise duty on local telephone calls was a revolutionary step and would satisfy the general telephone subscribers. He said it was a demand of the Sialkot Chamber and the Chamber was very happy that it had been accepted. He said the budget on the whole was appreciable and it was expected it would prove instrumental in bringing about an industrial revolution as well as it would enlarge the chances of employment for the educated jobless youths.

He said if the circumstances remained unchanged the budget would help the country's march towards its advancement smoothly and it would stand an industrialized country. The Chamber chief also hailed the reduction of excise duty on bank loans from two percent to

one and desired the mark rate fixed presently at 20 percent be reduced to ensure the maximum participation of people in the business sector.

PPI adds: The Site Association Karachi Chief, Arshad Tanveer, termed the Federal budget 1993-94 "circumstantially balanced". Commenting on the budget here Tuesday he said that an effort had been made in the budget to bring the parallel economy into the official network of taxation.

The reduction of duties on various items will definitely have an impact to curb smuggling particularly the smuggling through the Afghan transit trade.

He welcomed the reduction of excise duty on telephone calls from Rs 2.00 to Rs 1.70 per call and also the excise duty from 60 to 35 percent.

He also hailed the decision of the government to exempt from duty import of machinery for the textile and leather industry.

He further said that reduction in excise duty on bank loans from 2 to 1 percent and withdrawal of capital value tax on subscription of shares will help in boosting the economy and investment in the country.

MCCI President: The President, Multan Chamber of Commerce and Industry (MCCI) Muhammad Saleem Khan Sanddoozai generally hailed the national budget.

Giving his reaction, he said that the members of the Executive Committee of the MCCI heard the budget speech of the Finance Minister Mr Sartaj Aziz, during their emergent meeting here on Monday.

He said that apparently the budget is "good" in view of the prevailing conditions in the country. Yet, a comprehensive analysis of the budget cannot be made unless the details of the Finance Bills are available, he added.

President Pakistan Business Council Dubai: The expatriate Pakistani business community in the UAE [United Arab Emirates] hailed the 1993-94 budget announced on Monday, but a feeling of discontent and betrayal was also reported by some quarters.

Reduction in import duties on household items and cars was one single point liked by most respondents contacted for a random survey on the subject.

"As expatriates, one of our main concerns is to go back to our country at some point or the other and be able to continue our life in the same manner as we have got used to here. Therefore, the proposal to reduce duty on cars and other items will benefit all the overseas Pakistanis," said Tanvir Khawaja, President of Pakistan Business Council, Dubai.

Mian Habibullah, President, Federation of Pakistan Chamber of Commerce and Industry, termed it a very balanced budget in which all segments of the society had been given equal consideration.

"Unlike the previous many budgets, the duties have been slashed on a number of items and services, thus making things easier for every citizen," said the representative of Pakistani business community, who is in Dubai presently.

Sindh Budget Viewed, Seen Unsatisfactory

93AS0956G Karachi DAWN in English 16 Jun 93 p 7

[Editorial: "The Sindh Budget"]

[Text] The outgoing year was not a happy one for Sindh's economy. Natural and man-made calamities, such as the floods in August and the law and order situation, took a heavy toll. The financial pressures they generated are reflected in the budget for 1993-94 presented to the Sindh Assembly on Wednesday. Whatever gains had accrued to the province as a result of the massive increase in the federal tax assignments under the National Finance Commission [NFC] award in 1991 were neutralized by the rapid escalation in the government's expenditure, rising inflation, the high population growth rate due to migration and the stagnation in revenue earnings. The most important of the factors explaining the non-achievement of solvency in spite of a sudden tremendous increase in income under the NFC award was the provincial government's squandermania. Nevertheless, the fact remains that if it were not for the federal government's tardiness in transferring funds and withholding the payments it had promised for various programs, Sindh's finances would today be in better shape.

Given these factors, it is not extraordinary that the Rs 25.2 billion-revenue budget for 1993-94 shows a deficit of Rs 1.8 billion. The revenue expenditure will jump up by 16 percent in 1993-94 when the revenue receipts will grow by only five percent. In this context the most disturbing feature of the Sindh government's financial management is its continuing partiality towards the agrarian aristocracy, which is not only exempt from direct taxation of its income but is also subsidized by the budget in different ways. To cite just one example, the receipts from irrigation were only Rs 146 million in the revised estimates for 1992-93 (the budget estimate was Rs 405 million) when Rs 872 million was spent on this head in the revenue budget 1992-93. The landed gentry, thus, do not even pay the full cost of the irrigation water they use.

Also remarkable has been the government's inability to recover loans and advances from well-to-do agriculturists. Only Rs four million of the Rs 15 million budgeted were recovered in 1992-93. In 1993-94 only Rs 10 million has been earmarked for recovery. This calculated policy of reserving the indulgences for a few hundred big landlords and imposing all the burdens on the teeming millions is contrary to the demands of equity. It also explains why provincial finances suffer from inelasticity of revenue sources. Three heads, namely stamp duties (Rs 780 million), motor vehicles tax (Rs 495 million) and

electricity duty (Rs 275 million) account for two-thirds of the provincial tax revenues for 1993-94. To meet the deficit the Finance Minister has resorted to what he calls the "rationalization, enhancement and levy of certain taxes and cesses". This entails an increase in the motor vehicle tax, stamp duties and a surcharge on property tax which should fetch an additional Rs 383 million. It has not been explained whether the surcharge will be shared with the mostly impecunious municipal bodies on the same basis as the property tax is shared.

The Rs 10.5 billion development program will be financed largely by loans from the federal government (Rs 3.2 billion), foreign assistance (Rs 3.1 billion), Tameer-i-Sindh Program (Rs 1.5 billion) and the Social Action Program (Rs 555 million). An operational shortfall of Rs 1.7 billion is expected. The heavy borrowing will only add to the province's debt burden which will incur debt servicing to the tune of Rs 6.4 billion next year. In 1992-93 this amounted to Rs 5.1 billion.

An objective evaluation of the Sindh government's financial management calls for a closer look at its priorities. It is gratifying that education is to receive Rs 6.8 billion in the revenue budget of 1993-94 as against Rs 5.2 billion this year. Reflecting the sorry state of law and order in the province is the massive expenditure on the police which will be Rs 2.5 billion in 1993-94 as compared to Rs 2.2 billion in the outgoing year—an increase of well over 13 percent. The health sector is to receive Rs 1.5 billion in 1993-94 (it got Rs 1.3 billion in 1992-93). The tall claims of the Finance Minister notwithstanding, the management of each of the three areas of public life in Sindh is far from exemplary. In view of the fact that these figures represent quite a big rise from what was being spent on these sectors three years ago, one is left wondering why sufficient impact is not being made on the ground situation. While the crime rate is as high as ever, the population lacks the needed access to education and health care.

The development program for 1993-94 has given the highest priority to education (Rs 1,032 million), physical planning and housing (Rs 832 million), health (Rs 630 million), and water and power (Rs 616 million) in that order. What is a cause for concern, however, is the great potential that seems to exist for the misuse of funds. A glance at the budget estimates for 1992-93 and the revised estimates for the same year shows that the spending on physical planning and housing went up from Rs 802 million to Rs 1,819 million while there was a shortfall in the funds released for the education, health and water sectors. One wonders why the spending is higher on projects such as construction and road-building where there is enormous scope for cuts and misappropriation of funds.

The Sindh Finance Minister has spoken of achieving self-sufficiency, especially in agriculture. But the budget just presented does not point in that direction. The 41,000 acres of kachcha land distributed among 5,860 haris will not bring about the green revolution the

government may be dreaming about. Quite a bit of this land is not arable and the infrastructure that is required to revolutionize Sindh's economy has yet to be created. Yields per unit of cultivation remain pitifully low. The government will have to show greater financial skill and political commitment if the lot of rural and urban masses is to show some improvement.

Bhutto Attacks Economic Policies

93AS0956F Karachi DAWN in English 17 Jun 93 p 5

[Text] ISLAMABAD, June 16: Leader of the Opposition Ms Benazir Bhutto said on Wednesday that owing to wrong economic policies of the Government, budget deficit had gone up and the GDP [Gross Domestic Product] growth rate reached to an unprecedented low level of 3 percent.

"The economic performance of the government has been dismal and atrocious. Never in our country's history have we witnessed financial undiscipline and fiscal deficits on such massive and irresponsible scale," she added.

Opening the debate on budget in the National Assembly, she said deficit of Rs 100 billion in the budget was because of wasteful expenditures like buying luxury plane, spending Rs 35 billion on Motorway, and spending millions of rupees on the refurbishment of government homes.

The PPP [Pakistan People's Party] Co-Chairman alleged that gap in revenue and expenditure was met by increasing the domestic debt by huge sum of Rs 219 billion. "Servicing of the domestic debt of Rs 600 billion today outstrips the servicing of foreign debt," she said.

Ms Bhutto said last year she had predicted that the deficit would touch the staggering figure of Rs 100 billion but at that time the Finance Minister just laughed and did not believe so. However, she said that she was rightly pointing out that the government could not overcome the problem of deficit because it had no proper economic policy.

Talking about the inflation she said it has reached to 10 percent while during her period the same was 5.6 percent. "If this inflationary trend continues in double digits then we are in grave danger of massive inflationary explosion of the Latin American kind from where it will not be possible to stage a recovery," she said.

Rs 700 million exports and because of the wrong policies and priorities of the IJI [Islami Jamhoori Ittehad] the yellow taxi scheme alone causes a drain of US dollars by 350 million. When the interim government took charge the foreign reserves were about \$425 million. "Each year heavy withdrawal on foreign exchange takes place during the Haj period. This period coincided with the caretakers stay in government and the foreign reserves hit \$360 million level," she remarked.

Defending the economic policies of the caretaker government, she said the interim government took immediate steps to correct the situation. The entire textile related sector was in crisis but consultations were made with the representatives of business community and a policy package was announced to boost exports. This paid immediate dividends and the sagging exports picked up appreciably.

Simultaneously, she noted, extensive negotiations were initiated with IMF/World Bank to obtain extended structural adjustment loan facility at very concessional rates. She recalled that Finance Minister Sartaj had said in a press conference during that time that had the government not been changed Pakistan would have obtained \$900 million credit facilities from the IMF. "We are pleased to inform you that the finance minister of the interim government was able to secure an understanding with the IMF and World Bank which would amount to a balance of payment support to Pakistan of over \$2 billion.

"Failure to achieve targets in cotton yarn, spinning and ginning is explainable in light of failure of the cotton crop. But what about cement and steel products, especially when the September floods created a special demand for both?" she asked.

These causes of high business expectations may bring immediate profits to business community (windfall at times), but cannot stimulate the economy. Rather they may do long term damage to the economic system. The regime will sooner or later have to take corrective measures which would call for sacrifices. To make these sacrifices acceptable to people these have to be shared both by the rich and the poor and shared in accordance with their ability to endure.

Referring to PM's claim that it was poor man's budget, she said a budget where relief is given on car duties, air conditioners, refrigerators, cosmetics, VCR's etc., can it be termed anything but "poor man's budget". In the case of petrol a flat rate increase of 10 percent and pegging the price to the dollar-rupee parity will have two implications. One the difference of cost of locally produced oil is ignored. Although our domestic production is small but even then why cannot the lower cost of indigenous oil be passed as a relief to the consumer. Secondly petrol is a commodity whose rise in price will have an inflationary impact on everything in the economy.

Paper Details Features of New Gas Development Project

BK0810100793 Rawalpindi NAWA-I-WAQT in Urdu
7 Oct 93 p 3

[Special Report]

[Excerpt] Islamabad—The Qadirpur gas field is 80 miles northwest of Sukkur. The exploration for gas reserves in the Qadirpur locality is the largest after Moti [gas field]. With the completion of the Qadirpur development

project, at least 330 million cubic feet of purified gas per day will definitely be obtained. The Qadirpur project is a joint venture. Besides the OGDC [Oil and Gas Development Corporation], it has three companies as shareholders. Among them, the PPL [Pakistan Petroleum Limited] is a local company whereas Burma Oil and Premier Oil are foreign companies. The OGDC is the operator of this project and holds 75 percent of its shares. PPL, Burma Oil, and Premier Oil hold 7 percent, 85 percent and 95 percent of the shares respectively [all figures as published]. All important decisions regarding the project should have the backing of at least 85 percent of the shareholders. That means, besides the OGDC, the approval of at least two companies is essential for all important decisions. The World Bank is providing the OGDC's share of the foreign exchange required for the project. [passage omitted]

Editorial Rejects Decision on Foreign Insurance Firms

BK1610123993 Islamabad THE PAKISTAN
OBSERVER in English 16 Oct 93 p 6

[Editorial: "No to Foreign Firms"]

[Text] We do not know whether it is Mr Moeen Qureshi's genuine perception or whether he is doing Washington's bidding, but the latest decision of his cabinet to allow foreign insurance companies to operate in Pakistan has caused grave doubts about the direction of his economic reforms.

The question came up for debate before he assumed office, but the parties then in power ruled against that move. We often talk of double Western standards in Kashmir, Bosnia, Libya and other parts of the world, forgetting that they practise the same brand of dishonesty in economic field as well. They never tire of telling us to open our markets to foreign competition while erecting visible and invisible barriers against the products of Third World countries. As some Asian countries are beginning to out-distance West in industrial production and technical skills, U.S. and Europe have created protectionist enclaves in the form of economic blocs, where countries outside these groups have only limited and regulated access. Creation of blocs negates the very principles of free trade. In these circumstances, to open up our domestic market to foreign companies is to serve Western interests at the cost of our fledgling national insurance sector. Our indigenous insurance sector is adequate and efficient and the intrusion of overseas firms would expose them to unfair competition and cut into their profits and jobs. Also allowing them to repatriate their profits back home would result in the net transfer of our national assets to the parent country. Foreign investment is not an unqualified blessing, it has to be canalised into those areas which the host country cannot develop through its own resources. We in Pakistan have clearly defined areas where overseas capitalists can play a useful role—heavy industry, communication networks, exploration of natural resources, shipping and

high-tech defence systems. These sectors should be offered for joint ventures and investment.

It should also be pointed out that at present the question of opening up service sector is being negotiated between developed and developing countries under the auspices of GATT. By unilaterally allowing the foreign companies

to operate in Pakistan, Mr Moeen Qureshi has undermined the position of Third World countries at this critical juncture.

Any government which reflects the wishes of its electorate will have to undertake a thorough review of caretakers' policies and cancel those measures which are not compatible with our national economic goals.

Indian Missile Deployment Reported

93AS0934E Lahore *THE NATION* in English
23 May 93 p 10

[Text] NEW DELHI (DPA)—The Indian Army has recently stationed surface-to-surface missiles along the border with Pakistan. *The Hindustan Times* reported on Saturday.

The newspaper, usually a reliable reporter of defense matters, said the missiles would be able to reach the Pakistani cities of Sialkot, Gujranwala, Lahore and Faisalabad. It did not say how many rockets had been put in position.

The domestically-developed Prithvi missiles are understood to have been supplied to the 11th Indian Army Corps stationed in Punjab state. The rockets reportedly have a range of 250 kilometers and are designed to hit programmed targets to within a maximum accuracy range of 100 meters.

Indian scientists began developing rocket technology in the mid- 1980s, carrying out a first test flight in February 1988. Further successful and well-publicized tests continued until last year.

Since then, unconfirmed reports by Western diplomats in India say the country has begun producing rockets ready for deployment.

The West has repeatedly criticized New Delhi for its weapons program, with doubts being raised that the Prithvi missiles are carrying exclusively conventional warheads.

India denies receiving any technical aid from signatories to the 1987 missile technology control regime, in which the United States, Canada, Britain, France, Germany, Italy and Japan agreed not to pass on technology for rockets with an effective range exceeding 300 kilometers.

Politicians Seen Unwilling To Address Continuing Poverty

93AS0934B Lahore THE NATION in English
25 May 93 p 5

[Article by Aziz-Ud-Din-Ahmad: "Poverty and Political Parties of Pakistan"]

[Text] Every major political party in Pakistan insists it alone has the program that can take the country right into the twenty-first century. But of late everyone of them has ceased taking notice of the problem of abject poverty that is being faced today by a large portion of the population of Pakistan, and without resolving which Pakistan can never hope to become a developed country.

Anyone who moves out a couple of kilometers from a posh urban locality is bound to come across staggering expressions of poverty in the *katchi abadis*, or city slums. And in case he takes even a cursory round of a number of villages in the Seraiki belt and Potohar in the relatively prosperous Punjab, he cannot fail to notice the striking phenomenon, with pools of stagnant water filled with mosquitoes, scarcity of potable water that forces womenfolk to travel for miles to fetch it, and lack of basic amenities like electricity and metalled roads. Poverty is not a figment of the imagination of a sentimental rabble rouser. It is a concrete reality in Pakistan that can be measured in cold statistical terms.

Yet for our political parties the subject is becoming almost a taboo. With the demise of the Soviet Union it has become out of fashion to refer to the toiling masses, to the suffering of the exploited and the unemployed, or to the increasing gap between the very rich and the very poor. Our facile right wing had declared long ago that *roti, kapra* and *maikan* could only be guaranteed by Allah and any mortal promising these things to his fellow beings was actually interfering in the divine jurisdiction, an act that was highly sinful, besides being totally unachievable. Even the parties that were once regarded to be liberal or even a little tilted towards the left today shun the topic. The latest PPP [Pakistan People's Party] election platform, for instance, does not even passingly refer to the existence of the phenomenon of poverty in Pakistan, let alone suggest measures to deal with it.

Millions of people live in excruciating poverty today in Pakistan. Thousands are born daily to face the consequences of belonging to an ill-provided family. Let us have a look at a few statistics. The child mortality rate under the age of 5 in total South Asia exceeds 170 deaths per thousand children born. Compare it to Sweden where it is only 10 per thousand and you will understand what it means to be poor here. The child mortality rate in Pakistan is among the highest in the world. Not long ago UNICEF computed that over 40,000 children die yearly from malnutrition in Pakistan. It was further assessed that for every one of the children who had died, six had to live in hunger and ill-health, which permanently affected their physical and mental growth.

Malnutrition begins at the prenatal stage when the expecting mother fails to get the normally required diet as is usually the case with thousands of families in Pakistan. Among other things, it results in milk deficiency in mothers. A study conducted by a team of doctors in the slum areas of Karachi revealed that majority of mothers had no more milk to breastfeed their children than a quarter of a Coca Cola bottle. Thus the new born child is underweight and prone to disease.

Poverty continues to have an impact even after the birth of the child who in hundreds upon hundreds of cases fails to get the number of calories required. This leads to physical as well as mental deficiencies that continue to affect him throughout his life.

Millions of people in Pakistan suffer from malnutrition as they cannot afford the number of calories required. The Micro Nutrient Survey conducted a number of years back, and quoted by economist Shahid Kardar in his "Political Economy of Pakistan," assessed over 35 percent population failed to obtain 80 percent of the recommended dietary allowance. Another study conducted by ILO [International Labor Office], referred to by the same author, using a poverty line of 2,550 calories per day per adult, estimated that 28 percent of the rural population fell under the category of "very poor", while 35 percent was just "poor". The very poor required Rs 65 per adult per month (1979 figures) to obtain 2,550 calories. Summing it all up Shahid Kardar had to declare, "Therefore all available data suggests that over about 35 percent of the population representing almost 30 million individuals live in abject poverty—more than the population of this country at Independence. Such is the poverty of progress!"

Three crore people living in abject poverty in the last decade of the twentieth century do require at least some attention from the political parties escorting them into the next century with all its promises of astounding scientific and technological breakthroughs.

Abject poverty of a family forces the children to seek work rather than study or play with their mates. That is why there are lakhs of child workers in Pakistan—children from the age of 5 onward who should have gone to school but who work at tea-stalls, bicycle puncture shops, petrol pumps and even in factories and small industrial concerns. Small enterprises of all types in Pakistan thrive on the exploitation of child labor. Then there are self-employed children working as push-cart peddlers and shoe shines all over big cities like Karachi and Lahore, working from morning till evening tending their trade at the roadside without any shade under the scorching sun of June and July. The child working at a shop or a factory is paid no more than a pittance. Here the well-known *Chhota*, or the younger one, qualifies for the little wages that he gets only after working as an apprentice without pay for a number of years. Akmal Hussain (*Strategic Issues in Pakistan's Economic Policy*, 1988) who has researched on child labor, computes the child worker has to put in 54-72 hours of work a week.

His average monthly income is about \$20 and as he is pressureable, he has to put in more working hours at lower wages than his adult counterparts. The child worker is deprived of leisure and play. "Typically child workers get an opportunity to play three times per month, and some can play only once a month," observes the same author.

Ever increasing unemployment in cities as well as rural areas is another phenomenon connected with poverty. Capital intensive industries that bring more profit to the entrepreneur increase jobs only marginally. In rural areas unemployment on a large scale is being generated by massive use of tractors. "If the tendency to mechanize continues," observes Akmal Hussain, "labor absorption capacity in agriculture would decline by 6.9 million households by the year 2002." A somber reminder to our planners and politicians who today hesitate even to take up the topic in their manifestos.

Another expression of poverty is the abysmal rate of literacy in the country. People do not read because they must work to make both ends meet. Those who talk of making Pakistan another Asian tiger forget that the developed Asian countries have literacy rates as high as those in the US and Western Europe while hardly 35 persons out of a hundred can read and write in Pakistan. No government in Pakistan has yet given any importance to introduce universal literacy in the foreseeable future. How can we hope to be a developed country in a few years time when education is not a priority with us?

With almost universal fascination for privatization, deregulation and encouragement to free enterprise, and none speaking for the common man and the labor, the stage is set for a repeat performance of what happened in the 50s and the 60s. As in those two decades the emphasis today is on "growth first and redistribution later". Economic exploitation is necessary for economic development, used to be the slogan during that period. This was to result in the concentration of everything from banks to insurance and industry in the hands of the notorious 'twenty-two families' leading to the other extreme of nationalization of much of the industry under the pressure of the have-nots.

Unless the problem of poverty is seriously taken up by political parties in Pakistan and genuine efforts made to eradicate it, there can be no hope of our entering the next century as a developed and prosperous nation in spite of all the wishful thinking we so often like to indulge in.

Serious Attention to Population Planning Urged

93AS0934J Lahore THE NATION in English 11 Jun 93 p 8

[Article by Zohra Yusuf: "Perfect Failure"]

[Text] The history of population planning in Pakistan is a history of failures, of lack of political commitment and will, and of distorted priorities. Statistics no longer

shock—410 births every hour, 80 percent population lack sanitation facilities, 30 percent exist below the poverty line.

Communication strategies to reverse these trends and encourage the practice of family planning have been uninspiring. In Pakistan, the initiative in creating awareness of population growth was taken by a group of women.

In 1952, they set up the Family Planning Association of Pakistan (FPAP) and opened clinics in three major cities of Pakistan. Later, the government of Ayub Khan actively supported the efforts of the FPAP and a population control program was incorporated in the second five-year plan (1960-65).

When Ayub Khan, as head of state, publicly adopted the family planning program, there were hopes that the problem would be checked in time. However, lack of a network of clinics apart, there was also a lack of media and communications infrastructure, since even the use of radio, in pre-transistor days, was limited.

Ironically, today, with the mass media in an advanced stage of development (disproportionate, in fact, to other sectors), there seems to be a communications breakdown between planners and practitioners of population programs.

Communication strategies for propagating family planning have been as erratic as official policies on the issue. The failure of successive governments to take the bull by the horn is reflected in the kind of messages communicated to the target audience through the mass media.

For years, the message was *Do bachey, khushhal gharana* (two children; happy family) in television advertizing, with a frivolous visual treatment and a catchy jingle on the sound-track. The images of a totally carefree family juxtaposed with two children lacked credibility and conviction. Moreover, by depicting a 'perfect' family—a boy and a girl—the advertizing implicitly reiterated the stereotyped concept of a 'complete' family, i.e. one with at least one male, and preferably, one female child. The communication strategy ignored the fact that many couples continue to have children in the hope of having a boy (if they have only daughters) or a girl (if they have only sons). Instead of countering stereotypes, the advertizing images only reaffirmed them. In view of the traditional preference for a male child, and also to help raise the status of the female child, some of the advertizing, at least, could have shown two female children as comprising the 'ideal' family.

However, perceptible, if not revolutionary, changes are taking place in communications strategies. The turning point was, perhaps, the national population conference, held in August 1991, at which the Prime Minister publicly sounded the alarm on the population crisis and avowed his government's commitment to the promotion of family planning.

Suddenly, there was a flurry of activities in the media. Some programs, considering the conservative nature of the government-controlled electronic media, were milestones. Television even turned to soap for the propagation of family planning messages. A special serial, *Aahat*, produced by Sahira Kazmi and funded by Johns Hopkins University, went on air amidst criticism from religious leaders. Though inhibited in approach, the serial did break new ground. Supporting the play's message were commercial spots which, for the first time, provided information on the availability of contraceptives.

Other support strategies include testimonials of celebrities endorsing the need for a small family. In this series, scheduled just before the main news bulletin at 9 PM, the Minister for Population Planning himself made an appearance, apart from well-known sports and media personalities. One section of viewers is also being reached through the long-running, weekly quiz program *Neelam Ghar*. However, the poor quality of production and lack of attention to detail, such as props, settings, models, etc., dilute the effectiveness of these campaigns.

The present strategy also links population explosion with dwindling national resources. While there is a great potential for getting the message across in a dramatic, memorable way, the current generalized approach to the issue leaves viewers unmoved and uninvolved.

Presently, there is also a fair deal of misuse of media. For example, funds spent in placing ads in the expensive English Press could be better utilized on non-traditional media. While English newspaper readers do need to be reached, the kind of messages being placed miss their target audience by a mile.

One significant area which the planners have shied away from is the promotion of products. In the mid-seventies, the Family Planning Association of Pakistan had initiated a program for the commercial marketing of contraceptives. Planned to be launched with intensive use of the mass media, one of the objectives was to remove inhibitions associated with contraceptives. However, the coming into power of a government with the stated policy of "Islamization" effectively ruled out the possibility of a more liberal approach to the media.

The only product to be promoted in the mass media is *Saathi* condoms. Distributed by Woodward's Limited (Pakistan), as part of a USAID-funded project, the advertizing campaign was launched in mid-1988, the primary medium being television. Even then, PTV [Pakistan Television] censored the product pack, while NTM which, till then, was independent of PTV's censor board, showed the commercial with the pack.

A survey conducted six months later shows how deeply ingrained the association of fewer children with a "happy" family is. While the core message of the advertizing was that *Saathi* is a product to be used for spacing children, research showed that the main message recalled

by approximately 70 percent of the respondents (all male) was that of a "happy family".

The planners now need to move beyond the "Two children: happy family" syndrome. It is time to confront the fears and misgivings associated with the use of contraceptive products. The government's apprehensions of a backlash from target audiences is perhaps not well-founded. A study conducted for the National Institute of Population Studies shows that a majority (both men and women) favor the broadcast of family planning messages in the media. The present government, which is, no longer allied to religious parties, has nothing to lose by taking a bold, imaginative approach to communication strategies for family planning.

Literacy Rate Remains Low, School Dropout Rate High

93AS0955A Lahore THE PAKISTAN TIMES
in English 18 Jun 93 p 9

[Text] Karachi, June 17: With a literacy rate of only 35 percent, Pakistan stands far behind other nations in this field.

At present, there are 124,111 primary schools, including mosque schools with enrollment of 14.1 million. Participation rate at primary level is 68.9 percent. Female enrollment in rural areas is around 8 percent. Drop out rate is 44 percent. There are only 774 colleges and 23 universities in the country.

A latest official study said a particularly acute problem in the education sector is the low literacy rate among the females and the rural population.

Literacy rate though still low has improved over the past.

Participation or enrollment rate in 1992-93 at primary level is 68.9 percent for both sexes (male 84.8 percent and female 53 percent). At middle stage 44.3 percent for both sexes (male 57.5 percent and female 30 percent).

It is, however, evident that girls participation is only one half compared to boys which is the main cause of low literacy rate at the national level.

The total budgetary allocation of the education sector during 1992-93 is Rs 33.08 billion (Rs 6.58 billion development and Rs 26.49 billion current expenditure) which is 24.17 percent higher than last year's expenditure of Rs 26.64 billion.

The outlay on education in 1992-93 is 2.4 percent of GNP [Gross National Product] showing a slightly higher level than attained in 1991-92. It is less than the recommended level which is prescribed by UNESCO at 4 percent of the GNP for the developing countries.—PPI

Educational Foundations Claimed Unfunded, Inadequate

93AS0956J Karachi DAWN in English 18 Jun 93 (Supplement) pp III

[Article by Zubeida Mustafa: "Education Foundations Off to a Poor Start; Insufficient Funds and Lack of Interest Plague Operations"]

[Text] It was in his budget speech in May 1991 that the Federal Finance Minister first broached the idea of setting up education foundations to "expand the opportunity for private investment in education". At that time the proposal had proved to be highly controversial, mainly in conceptual terms. Many found it unacceptable that public funds be channeled into private hands for educating children, presumably for a fee.

Two years later, when the veritable thrust in the government's policy towards the privatization of the national economy and the social sectors has been unequivocally established, it is plain that the education foundation scheme is here to stay. It still has a number of detractors, though. But this time the criticism is not so much on ideological grounds, with the exception of the voices raised from some diehards on the Left. It is the government's handling of its own brainchild that is the cause of serious concern.

It was initially planned that a National Education Foundation would be set up to provide matching grants to the provincial education foundations which in turn would provide matching grants to NGOs or individuals interested in setting up educational institutions. How has this scheme fared in its implementation?

So far, Punjab is the only province which has managed to get its Foundation on its feet. It was set up the same year as it was announced. Sindh's Education Foundation was set up in October 1992 but it has still to become operational, the appointment of a managing director notwithstanding. It has no office staff and no funds for running expenses or the salary of the MD. NWFP's [North-West Frontier Province] Foundation has just been launched and the first meeting of the managing committee has been scheduled for June 12. Balochistan has still not been able to get its Foundation off the ground.

The sluggishness with which the education foundations are being instituted confirms the apathy and indifference of the government towards education. Having failed to raise the literacy level and expand the education base in the country in the past several decades, the Establishment is now trying to abdicate its fundamental responsibility of human resource development. The private sector is being asked to do this job. The rationale being given is that private entrepreneurs will bring efficiency and motivation to this sector rather than the "lifeless" government institutions (this term was used by the

Federal Finance Minister, Sartaj Aziz). Hence the move to provide financial incentives to the private educationists.

What is alarming, however, is the government's failure to allocate sufficient resources for the education foundations. Then there is also the danger of quite a bit of whatever little that has been provided being lost through leakage.

The amount given to the various education foundations is a sorry reflection on the government's commitment to education. Punjab, which was the first to pick up the gauntlet, has so far allocated Rs 950 million to its foundation. NWFP has provided Rs 150 million, with Rs 50 million coming from USAID. The Sindh Education Foundation's share is a paltry Rs 2.5 million which has still to be made available for spending. How much can education benefit from such niggardly amounts?

That is, of course, assuming that the money which the Foundations dole out are actually put to good and honest use. Given the many claimants who will be clamoring for grants ostensibly to set up educational institutions, the working of these bodies will depend on the composition of their managing boards and the integrity of the managing directors. As can be expected, efforts are on to use the appointments which will be made by the provincial governments as a means of political reward for loyalists. The temptation will be enormous for the government to extract maximum leverage from those who are made members of the Board. They in turn will find this a new avenue for illegal gratification.

Since the Punjab Foundation is the only one that has been functioning for two years and has given out loans, its working should shed much light on how this scheme can be abused. The managing committee comprises 30 or so members who include MNAs [Member of National Assembly], MPAs [Member of Provincial Assembly] and Deputy Commissioners. Given the composition of this body and the inclusion in it of non-professionals, it is understandable that considerations other than the proclaimed criteria and the education needs of the people have come to determine the Foundation's loan and grant policies.

In the Punjab, according to a World Bank report, 115 new and existing schools had been provided Rs 97.7 million in the first six months of the Education Foundation's existence. Only 32 of these were female education projects, notwithstanding the fact that women's education was identified specifically as the priority area. Similarly, the proclaimed guideline of preference being given to the rural areas was ignored and more than two-thirds of the institutions which received assistance were found to be located in the towns and cities.

Given the widespread prevalence of corruption and the tendency to misappropriate funds, the possibility of the so-called prestigious institutions catering to the higher income groups becoming the beneficiaries of the Foundation cannot be ruled out. Indeed, the World Bank

found that a "posh school" in Lahore had received Rs 3 million as grant and loan for the construction of its building and purchase of equipment.

So far the achievements or non-achievements of the education foundations are not too inspiring. It is also difficult to feel optimistic about the success of the

scheme. If the education foundations have their priorities correct—one would not quarrel with the Sindh Education Foundation for targeting female education, teacher training projects, rural areas and community schools—they can create a dent where the government has failed. But the hazard is that the foundations will become another government agency for handing out official funds to friends and supporters and not genuine educationists.

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